

Only Decatur House, at the corner of Jackson Place and H Street has been exempted from the march of progress. All the other buildings, with the possible exception of 700 Jackson Place, are slated to be torn down or merged into a new Federal office building to take 3,250 overflow employees from the bulging executive offices.

The new office building will complete the transition of Jackson Place from its early role as a center of Washington's social and intellectual life. Once called 16½ Street, and then Lafayette Square West, it owes its present name to the equestrian statue of President Andrew Jackson, which stands in the center of Lafayette Park, on which Jackson Place faces.

THE YARD WAS TOO BIG

Back in 1801 a brick kiln and an old market stood in what is now the park. It had been intended that this piece of ground, once an apple orchard, would be part of the White House grounds. But Thomas Jefferson separated what is now the park from the White House property, saying: "It made too large and ostentatious a front yard."

Decatur House, oldest and finest of the Jackson Place residences, was built in 1819 for the intrepid Commodore Stephen Decatur. He paid for it with part of the prize money he drew for captures of enemy ships. He lived in the house less than 2 years before he was fatally wounded in a duel with Capt. James Barron and brought home to die in 1820.

After the commodore's death, the house was occupied by Baron Tuyll, the Minister from Russia; Henry Clay, Martin Van Buren, Edward Livingston, and foreign ministers Sir Charles Vaughan and Baron Hyde de Neuville and others. It was purchased after the Civil War by Gen. E. F. Beale and remained in the Beale family until 1956, when, by the will of Marie Beale, it went to the National Trust for Historic Preservation.

The side yard of Decatur House was purchased by Robert S. Brookings, and a large building, now the home of the National Grange, was erected there. Putting the building there cut off the view of the White House from a second-floor window of the Decatur House which Martin Van Buren had cut in the wall so he might exchange signals with his close friend President Jackson.

The large house next to the Grange building, No. 736, was first occupied by William F. Marcy, Secretary of War for President James K. Polk and Secretary of State for President Pierce. James G. Blaine lived there and it was also occupied by President Theodore Roosevelt during the summer of 1902 while the White House was being renovated. The Women's City Club and the National Lutheran Council later used the premises.

No. 734 was for many years the home of Charles C. Glover, Washington banker. Secretary of the Navy R. W. Thompson also lived there while in the Cabinet of President

Hayes, and for many years it served as the office of the Christian Science Parent Church. It is now mainly used by the publications division of the Brookings Institution.

The fine old brownstone house, No. 730, is now occupied by the United States Conference of Mayors. The unusual hand-carved walnut fireplaces and other woodwork in this house have been carefully preserved. It was once the home of the editor, William J. Murtagh, who established the newspaper, the National Republican, and of Gen. Frank Steele.

SICKLES PROVIDED SCANDAL

The main building of the Brookings Institution, at 722 Jackson Place, stands on the site of the home of Gen. Daniel E. Sickles, who provided Washington with more excitement over a longer period of time than almost any other resident. While serving in Congress as a Representative from New York, General Sickles found good reason to suspect Philip Barton Key, United States attorney for the District of Columbia, of "flirting with his wife." General Sickles armed himself with a revolver and two derringers, then met the unarmed Mr. Key near the corner of Pennsylvania Avenue and Madison Place, at the east end of the park.

Shouting, "You have dishonored my home and my family," the general shot Mr. Key three times with the revolver and would have shot him a fourth time as he lay on the ground, but the cap failed to fire. General Sickles was acquitted, became a Civil War general, lost a leg at Gettysburg, then returned to Congress, where he served with distinction.

The United Automobile Workers' Union now occupies the new building at 718 Jackson Place. Here once stood the home of Mrs. Violet Blair Janin. Mrs. Janin, born in Blair House, was well known as a linguist and, on meeting visiting diplomats at Washington social gatherings, astounded many of them by conversing in their own languages.

In order to have a Washington headquarters while the National Art Gallery was under construction, the two houses at 716 and 712 Jackson Place were purchased for the use of the A. W. Mellon Educational and Charitable Trust. These houses, now restored and modernized, were once the homes of a number of distinguished Washingtonians, including Senator Arthur P. Gorman, and Col. Henry R. Rathbone, who accompanied President and Mrs. Lincoln to Ford's Theater on the tragic night of April 14, 1865. The National Trust for Historic Preservation is now located in No. 712.

Col. William L. Phillips, John R. McLean, and a Mrs. Green, daughter of Admiral Dahlgren, were occupants of No. 708 which was acquired by the United States Government some time ago.

MINISTER TO CHINA ON CORNER

One of the first residents of the big corner house, No. 700, was Peter Parker, Minister to China. Franklin A. Dick, lawyer and partner

of Montgomery Blair, owned and lived in No. 704. Both these houses became the office of the Carnegie Endowment for International Peace until this branch of the organization moved to New York and the property was sold to the Government.

It has taken the Government a long generation to move in on Jackson Place. The Charles C. Glover family sold their splendid townhouse at No. 734 in the midnineties because of a rumor that the Government would soon take over. When buying property on Jackson Place, Mr. Brookings commented that "it is the finest location in Washington." Apparently the representatives of the Government have finally decided Mr. Brookings was right.

GENERAL SERVICES ADMINISTRATION,

Washington, D. C., July 23, 1956.

Re Buildings of historic value.

Hon. FRANK THOMPSON, Jr.,

House of Representatives,

Washington, D. C.

DEAR MR. THOMPSON: You have asked to be informed as to the procedures developed for the purpose of establishing the authenticity of federally owned properties that may have historical value. The following procedures for the referral and review of obsolete Federal buildings scheduled for demolition have been developed jointly by the National Park Service and GSA:

1. GSA will notify the National Park Service of the proposed demolition of an existing Federal building at the time GSA includes a project for its replacement in its lease-purchase or other construction programs. The notification will be in memorandum form which will give the name of the building, its location, and its date of construction; a separate memorandum will be forwarded on each project.

2. The National Park Service, upon receipt of the memorandum of notification, will examine the project file in the GSA's Washington Office; and, if necessary, borrow pertinent documents, maps, and photographs for study.

3. After preliminary study, if the National Park Service finds no apparent historical value in the property, GSA will be notified to this effect. If definite historical value is believed to exist and field investigation is required, GSA will also be notified and provided with a statement of the probable time required for the report and determination as to the national historical significance of the structure.

4. The National Park Service will provide GSA with a written determination on the historical significance of the structure within a feasible time and if possible, within a 60-day review period.

These procedures are now in effect, and the National Park Service has already cleared five obsolete buildings which have been scheduled for demolition.

Sincerely yours,

F. MORAN MCCONNIE,

Commissioner of Public Buildings.

SENATE

WEDNESDAY, FEBRUARY 20, 1957

(Legislative day of Monday, February 18, 1957)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God and Father of mankind, in whose will is our peace, in whose love is our rest, in whose service is our joy: grant us Thy empowering to work into the colorful tapestry of life we are daily

weaving, in our character, and in our deeds, the radiant qualities of the divine; so that, as the flowers of the earth put on garments of gold and crimson and purple through their partnership with light, our spirits may become as the garden of the Lord, clothed with the bright blossoms of faith and peace through their union with Thee, who art light and in whom is no darkness at all. With our eyes upon that sun of righteousness which no earth-born clouds can dim, we lift our gaze from the valley of seeming futility and despair to the hills of eternal verities which stab the horizon with great and glorious spires. In the strength of that beckoning vision,

make us strong to endure, that we faint not nor fear. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, February 19, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting

nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. O'MAHONEY, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate this afternoon.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a morning hour for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON FEDERAL CONTRIBUTIONS PROGRAM, FEDERAL CIVIL DEFENSE

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting, pursuant to law, a report on the Federal contributions program, obligation of Federal funds, Federal civil defense, for quarter ended December 31, 1956 (with an accompanying report); to the Committee on Armed Services.

AUDIT REPORT ON EXCHANGE STABILIZATION FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, an audit report on the Exchange Stabilization Fund, for the period July 1, 1955 to June 30, 1956 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF UNITED STATES INFORMATION AGENCY

A letter from the General Counsel, United States Information Agency, Washington, D. C., transmitting, pursuant to law, a report of that Agency, for the period July 1 to December 31, 1956 (with an accompanying report); to the Committee on Foreign Relations.

AUDIT REPORT ON EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Export-Import Bank of Washington, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF SOIL SURVEY AND LAND CLASSIFICATION, JUNIPER DIVISION, WAPINITIA PROJECT, OREGON

A letter from the Acting Secretary of the Interior, certifying, pursuant to law, that an

adequate soil survey and land classification has been made of the lands in the Juniper division, Wapinitia project, Oregon, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CIVIL PENALTIES FOR VIOLATION OF CERTAIN SECURITY PROVISIONS

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize the imposition of civil penalties for violation of the security provisions of the Civil Aeronautics Act of 1938, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT ON PROVISION OF WAR-RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of December 31, 1956 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON REVIEW OF ATOMIC ENERGY COMMISSION CONTRACT NO. AT (30-3)-222

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of Atomic Energy Commission contract No. AT (30-3)-222 with Yankee Atomic Electric Co., dated November 1956 (with an accompanying report); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the City Council of the City of Niagara Falls, N. Y., relating to the construction of facilities for the development of power on the Niagara River; to the Committee on Public Works.

FLOOD CONTROL—RESOLUTION OF SENATE OF WEST VIRGINIA

Mr. REVERCOMB. Mr. President, I present, for appropriate reference, a resolution of the Senate of the State of West Virginia, memorializing the Congress of the United States to act with respect to flood control in that State. I may say the resolution comes after disastrous floods in the southern part of the State. I ask unanimous consent that the resolution, together with the certificate of the Honorable D. Pitt O'Brien, Secretary of State of West Virginia, transmitted with the resolution, and my letter, in reply to Mr. O'Brien, may be printed in the RECORD.

There being no objection, the resolution, certificate, and letter were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 9

Memorializing Congress to take action on flood control embracing the valley of the Tug Fork of the Big Sandy River in West Virginia.

Whereas the valley of the Tug Fork of the Big Sandy River in the State of West Virginia has recently been visited by a flood disaster, which might have been averted to

a marked degree by a proper system of flood control; and

Whereas the recent flood has caused damage to the extent of at least \$10 million in the valley of the Tug Fork of the Big Sandy River; and

Whereas, other floods have occurred at great frequency during the past few years in said valley, resulting in damages to the extent of many millions of dollars; and

Whereas, the distressing conditions due to floods tell a more powerful story than any that might be calculated in terms of the cost of a proper flood control system: Therefore be it

Resolved by the senate (the house of delegates concurring therein), That the Congress of the United States is hereby requested to take such action as will provide a suitable and proper system of flood control in order to avert another such disaster in the valley of the Tug Fork of the Big Sandy River; and be it

Resolved further, That the Secretary of State is hereby directed to forward attested copies of this resolution to the President and Secretary of the United States Senate, the Speaker and Clerk of the House of Representatives, and to each Member of the West Virginia delegation in the Congress of the United States.

I hereby certify that the foregoing is a true and correct copy of Senate Concurrent Resolution 9, adopted by the legislature on February 7, 1957, according to the official records in my office.

J. HOWARD MYERS,

Clerk, Senate of West Virginia.

I, D. Pitt O'Brien, secretary of state of the State of West Virginia, hereby certify that the annexed and hereto attached is a true and correct copy of Senate Concurrent Resolution 9, adopted by the Legislature of the State of West Virginia, regular session, on the 7th day of February, 1957, as appears from the records of my said office.

Giver under my hand and the great seal of the said State at the city of Charleston, this 12th day of February 1957.

D. PITT O'BRIEN,
Secretary of State.

FEBRUARY 19, 1957.

Hon. D. PITT O'BRIEN,
Secretary of State,
State of West Virginia,
Charleston, W. Va.

DEAR MR. SECRETARY: I have received the certificate which you sent me containing Senate Concurrent Resolution No. 9, in which the Congress of the United States is requested to take such action as will provide a suitable and proper system of flood control in order to avert another such disaster in the valley of the Tug Fork of the Big Sandy River. Be assured that I am in full accord with the purpose of this resolution. In keeping with the views expressed therein, I have already taken steps which I hope will bring about a realization of more flood control in our State.

I have requested the Chief of the Corps of Engineers of the United States Army to proceed promptly with plans for flood control requirements on the Big Sandy River and its tributaries including Tug Fork of that river. This authority is already vested in the Corps of Engineers with respect to this river.

Further, I have prepared a resolution for action thereon by the Committee on Public Works of the United States Senate directing the Corps of Engineers to bring up to date its survey and plans for the Guyandotte River and its tributaries.

Request has also been made of the Army Corps of Engineers to complete as quickly as possible its plans and proceed with construction of the flood control project at Williamson under Public Law 685.

I shall be very pleased if you would convey my response to the Senate of West Virginia

and advise the senate that I shall do all I can to establish more flood control where most needed in our State.

Very truly yours,

CHAPMAN REVERCOMB.

CONTROL OF GRASSHOPPERS— JOINT RESOLUTION OF MONTANA LEGISLATURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Agriculture and Forestry, Joint Memorial No. 1, adopted by the Montana Legislature now in session. The memorial deals with the need for an adjustment in the cooperative program to fight infestation and control of grasshopper outbreaks on range and grazing lands.

There being no objection, the joint resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Memorial 1

Joint memorial of the Senate and House of Representatives of the State of Montana to Dwight D. Eisenhower, the President of the United States; to the Honorable James E. Murray and the Honorable Mike Mansfield, Senators from the State of Montana; to the Honorable Lee Metcalf and the Honorable LeRoy Anderson, Representatives from the State of Montana; to the Honorable Ezra T. Benson, Secretary of Agriculture of the United States; relating to infestation and the control of grasshopper outbreaks on range and grazing lands

Whereas grasshoppers constitute a threat to range and grazing lands each year, with the intensity and scope of infestation varying from as much as 380,000 to 7,500,000 acres from 1 year to the next and from less than 100,000 to 2,000,000 acres in a similar period with no particular pattern of infestation evident in any succession of years nor any relationship between geographic areas or intensity within a given infestation that can be used as a basis for prediction; and

Whereas during the years of low grasshopper populations, infestations are confined to relatively small acreages which can be handled by the landowners themselves. In years of widespread outbreaks each individual infestation, which taken together constitute an outbreak, is so large that the total holdings of several farmers or ranchers may be involved. With the large acreage involved, which is usually accompanied by low precipitation and consequent lower yields, an economic situation is created whereby the landowner cannot combat the problem with his own resources; and

Whereas by administrative decision the present Federal-State cooperative program authorized under Public Resolution No. 91 of the 75th Congress is based on the theory of outbreak prevention and on the concept that outbreaks can be predicted from existing infestations and that all grasshopper infestations spread to adjoining areas from existing infestations; and

Whereas comprehensive research has shown that infestations develop through unpredictable changes in conditions existing in the areas so infested; and

Whereas comprehensive research has shown that the extent of damage done is not necessarily a result of the number of grasshoppers present, but appears to be related to the species of grasshopper present and the growing conditions of the plants, making it

impossible to predict damage prior to its onset following the hatch of grasshoppers; and

Whereas hatching dates differ so widely from one area to another, even within the same species, that damage may be severe in one area before it appears in another; and

Whereas the present administrative decisions upon which the Federal-State cooperative program is based do not consider the problems posed by populations of those grasshopper species which infest nor the added problem of acres diverted to the soil bank which could become breeding grounds for the migratory species; and

Whereas the present administrative decisions allow only a 33 1/3 percent Federal participation in the cost of control on privately owned lands which is inadequate to bring the cost down to a level that can be economically borne by the landowner under widespread outbreak conditions; and

Whereas the administrative decisions under which the present Federal-State program operate are so rigid that the program cannot be effectively adapted to the unpredictable situations which occur from year to year and its objectives of control from the standpoint of outbreak and migration prevention are not only inconsistent with research findings, but do not allow for the most effective use of available moneys at a time and in such places that the landowners can derive the maximum benefits: Now, therefore, be it

Resolved by the Senate of the Thirty-fifth Legislative Assembly of the State of Montana (the House of Representatives concurring), That we respectfully recommend and urge the President of the United States, the Senators and Representatives from Montana and the Honorable Secretary of Agriculture to secure the reconsideration and revision of the administrative decisions upon which the present Federal-State cooperative program is based to the end that it will better serve the needs of range landowners and provide an adequate and fairly administered program of rangeland protection; be it further

Resolved, That consideration be given to conducting cooperative Federal-State control programs on the basis of rangeland protection rather than outbreak prevention and that the rancher-farmer be given the opportunity to elect when, where, and by whom the work shall be done; that the Agriculture Department of the State of Montana, in conjunction with the United States Soil Conservation offices, cooperate in the work and administration necessary to attain the objectives contained in this program; be it further

Resolved, That Federal moneys be made available to the extent of 50 percent of the cost of control on a matching basis regardless of the source of the matching money; be it further

Resolved, That the program be administered to the end that everyone participating in grasshopper control receives his proportionate share of the public moneys available regardless of their source; be it further

Resolved, That copies of this resolution be forwarded by the Secretary of the Senate of the State of Montana to the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable James E. Murray and the Honorable Mike Mansfield, Senators from the State of Montana; to the Honorable Lee Metcalf and the Honorable LeRoy Anderson, Representatives from the State of Montana and to the Honorable Ezra T. Benson, Secretary of Agriculture of the United States.

PAUL CANNON,

President of the senate.

EUGENE H. MAHONY,

Speaker of the house.

CHAPLAINS' DAY—RESOLUTION OF LAS VEGAS (NEV.) FRATERNAL ORDER OF EAGLES

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Las Vegas Aerie of the Fraternal Order of Eagles, of Las Vegas, Nev., on January 22, 1957, which is entitled "Chaplains' Day Resolution."

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CHAPLAINS' DAY RESOLUTION

Whereas on February 3, 1943, the U. S. S. *Dorchester* was sunk in the North Atlantic, during World War II, with the loss of more than 600 American lives, including 4 chaplains of 3 great religious faiths; George L. Fox, Protestant; John P. Washington, Catholic; Alexander L. Goode, Jewish rabbi, and Clark V. Poling, Protestant minister; and

Whereas these four chaplains gave up their lives that others might live, going down together on the deck of the U. S. S. *Dorchester*, to give to the world for all time a dramatic example of human brotherhood, courage, and selflessness, and an inspiring demonstration of interfaith unity and understanding; and

Whereas in order that the meaning and significance of their heroic deed may be perpetuated each year, memorializing not only the supreme sacrifice of the four chaplains, but the supreme sacrifice of all chaplains who gave up their lives for others, inspiring all Americans by their example of faith and courage: Now therefore be it

*Resolved, That we urge the Congress of the United States to set aside the first Sunday in February each year, as Chaplains' Day, and that the day be devoted to the dedicated memory of the four chaplains of the U. S. S. *Dorchester* and all chaplains who gave their lives for our country.*

Above resolution adopted by Las Vegas Aerie, 1213, Fraternal Order of Eagles, on January 22, 1957.

CHESTER COBAIN,
Worthy President.
A. G. BLAD,
Secretary.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 348. An act to amend section 12 of the act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital of said States (Rept. No. 93).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Texas:

S. 1292. A bill to reduce loss of life, personal injuries, and property damage resulting from automobile accidents by establishing an Automobile and Highway Safety Division within the Department of Health, Education, and Welfare to work in cooperation with other public and private agencies for

such purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS:

S. 1293. A bill for the relief of Eithanlahu (Eton) Yellin; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1294. A bill for the relief of Maria del Carmen Viguera Pinar; and

S. 1295. A bill for the relief of Mrs. Theodore (Nicole Xantho) Rousseau; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. HRUSKA, Mr. CARLSON, Mr. GOLDWATER, Mr. BARRETT, Mr. YOUNG, and Mr. MCCARTHY):

S. 1296. A bill to amend the Rural Electrification Act of 1936; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CURTIS when he introduced the above bill, which appear under a separate heading.)

By Mr. THYE:

S. 1297. A bill for the relief of Walter Wettshreck; to the Committee on the Judiciary.

By Mr. HILL (for himself, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. TALMADGE, Mr. JACKSON, Mr. HENNING, Mr. CARLSON, Mr. COOPER, Mr. HUMPHREY, Mr. KEHR, Mr. LANGER, Mr. MONROE, Mr. MORSE, Mr. PASTORE, Mr. MURRAY, Mr. SCOTT, Mr. ERVIN, Mr. MANSFIELD, Mr. CHAVEZ, Mr. AIKEN, Mrs. SMITH of Maine, Mr. IVES, Mr. THYE, Mr. PAYNE, Mr. YOUNG, Mr. MAGNUSON, Mr. CHURCH, Mr. O'MAHONEY, Mr. CARROLL, Mr. SYMINGTON, Mr. KEFAUVER, Mr. JOHNSTON of South Carolina, Mr. CLARK, Mr. MCCLELLAN, Mr. WILEY, Mr. KENNEDY, Mr. POTTER, Mr. NEUBERGER, Mr. JAVITS, and Mr. McNAMARA):

S. 1298. A bill to assist States in providing needed vocational education of less than college grade in essential occupations, including retraining made necessary by scientific and technological developments, through establishment and maintenance of area vocational school programs providing vocational training and retraining for persons residing in the State or area, including related instruction for apprentices; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. REVERCOMB:

S. 1299. A bill for the relief of Irma Kurrle; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1300. A bill to authorize John R. Quigley to construct and maintain a sign, 50 feet by 30 feet, on certain property of the United States in Montana; to the Committee on Public Works.

By Mr. GORE:

S. 1301. A bill for the relief of Sam A. Reeks, Jr.; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1302. A bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended; to the Committee on the Judiciary.

By Mr. YOUNG (for himself and Mr. LANGER):

S. 1303. A bill for the relief of the cities of Mandan and Bismarck, N. Dak.; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 1304. A bill to provide for reports on the acreage planted to cotton, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BUTLER (for himself, Mr. BRIDGES, Mr. SPARKMAN, Mr. SYMINGTON, and Mr. EASTLAND):

S. 1305. A bill for the relief of certain members of the Air Force, and for other purposes; to the Committee on the Judiciary.

By Mr. MALONE:

S. 1306. A bill for the relief of Pao-Wei Yung; and

S. 1307. A bill for the relief of Toribia Basterrechea (Arrola); to the Committee on the Judiciary.

By Mr. MALONE (for himself and Mr. CASE of South Dakota):

S. 1308. A bill for the relief of Carmen Jeanne Launols Johnson; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 1309. A bill for the relief of Susanne Burka; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1310. A bill for the relief of certain aliens; and

S. 1311. A bill for the relief of Maria Gradi; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1312. A bill for the relief of Harry G. Brown and Frances Brown; to the Committee on the Judiciary.

By Mr. MORSE (for himself, Mr. MURRAY, Mr. NEELY, Mr. KENNEDY, Mr. NEUBERGER, Mr. COOPER, and Mr. BEALL):

S. 1313. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (by request):

S. 1314. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MCCARTHY:

S. 1315. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture and Forestry.

By Mr. WILLIAMS (for himself, Mr. AIKEN, Mrs. SMITH of Maine, and Mr. PURTELL):

S. 1316. A bill to reduce the percentage depletion for oil and gas wells; to the Committee on Finance.

By Mr. HICKENLOOPER:

S. 1317. A bill for the relief of Herman Sung; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mr. WILEY):

S. J. Res. 64. Joint resolution to implement the Convention between the United States of America and Norway, which entered into force on November 9, 1948, for the disposition of the claim against the Government of the United States of America asserted by the Government of Norway on behalf of Christoffer Hannevig; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above joint resolution, which appear under a separate heading.)

INVESTIGATION BY TARIFF COMMISSION OF EFFECT OF IMPORTATION OF FURS

Mr. MCCARTHY submitted the following resolution (S. Res. 100), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is hereby directed, pursuant to section 332 of the Tariff Act of 1930, as

amended, to make a thorough investigation of the effect upon the American fur-producing industry of the importation of furs, and to report thereon to the Congress on or before November 1, 1957.

SEC. 2. Such investigation shall be made after due notice and opportunity for hearing is given to interested parties. The report of the Commission shall set forth the facts affecting the relative competitive position of foreign and domestic fur producers, including the impact of trade practices, methods of distribution, and imports on domestic producers, and shall take into account reports that foreign furs are being dumped on the American market.

ESTABLISHMENT OF AUTOMOBILE AND HIGHWAY SAFETY DIVISION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. JOHNSON of Texas. Mr. President, I rise today to discuss briefly a problem which can best be described as a continuing national catastrophe. It is a problem with which we live every day of our lives, but which rarely intrudes into our conscious thoughts. It is a problem of life and death, and its very familiarity has bred either contempt or indifference.

Occasionally we see statistics which tell us that a killer is loose in our country. Between 1947 and 1955, it slaughtered 320,000 Americans. More than 38,000 died in 1955 alone, and another 110,000 were permanently crippled. In half a century, this killer has taken more than twice as many American lives as all our wars. The property damage has run into the billions of dollars, and there is no measure of the agony and privation that have been caused.

I am referring to the deadly toll of highway accidents.

It is not a simple problem, because we live in a nation that is committed to the automobile as a way of life. For every 3 people in America today, there is 1 automobile. Sixty-five percent of our families own a car. There are 66 million licensed drivers.

Retail motorcar and truck sales amount to more than \$30 billion yearly. In Detroit alone, half a million workers are employed by the automobile industry.

The automobile has transformed our whole society. It has given us mobility, employment, and a new measure of freedom. It has also given us death on an unprecedented scale.

We cannot abolish the automobile, but neither can we ignore the problems that it brings to us. There is a responsibility here which we must face.

I am introducing today a bill to establish an Automobile and Highway Safety Division in the Department of Health, Education, and Welfare. There is a clear-cut role which such a division can play.

It can collect information; it can work with State and local governments; it can cooperate with such organizations as the Cornell study group and the National Safety Council; it can promote research into improved designs for automobiles and highways to prevent accidents and to reduce the severity of injuries in automobile accidents.

It can constantly bring to the public's attention the facts of life and death in highway safety. It can inform the public on the currently known and proven measures which will increase highway safety.

Mr. President, it is my hope that this step will make a positive contribution to solving a problem that has caused death, destruction, and untold agony on an unprecedented scale.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1292) to reduce loss of life, personal injuries, and property damage resulting from automobile accidents by establishing an Automobile and Highway Safety Division within the Department of Health, Education, and Welfare, to work in cooperation with other public and private agencies for such purposes, introduced by Mr. JOHNSON of Texas, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936

Mr. CURTIS. Mr. President, on behalf of myself, and Senators HRUSKA, CARLSON, GOLDWATER, BARRETT, YOUNG, and MCCARTHY, I introduce, for appropriate reference, a bill to repeal the requirement that 25 percent of funds made available for loans to Rural Electrification systems shall be apportioned to States in the proportion that the number of nonelectrified farms in a State bears to the national total of nonelectrified farms.

As is well known, the provision for allocating this portion of the funds appropriated annually was reduced to 25 percent by a law enacted in 1955. At that time, hearings on the amendment made it clear that, with about 95 percent of our farms now electrified, the allocation serves no useful purpose. During the 1955 hearings, REA representatives and testimony of farm organizations sought repeal of the allocation.

This proposed legislation will benefit our fine REA program, and obviate a cumbersome procedure. In addition, it will serve the interest of economy in government, in that allocation of funds to a State will not guarantee that the funds will be used in that State. Loans can be made only if valid applications are submitted. It has frequently been necessary for the Rural Electrification Administration to draw down funds far in excess of the amount needed for a particular loan because of the allocation formula.

For many years, there has been sincere effort to abandon the allocation formula, and I believe that we can, by avoiding it, be of service to our REA systems. We all know of the importance of sound REA development for farms and farm homes. I am sure we are all interested in giving our REA program this added help.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1296) to amend the Rural Electrification Act of 1936, introduced

by Mr. CURTIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AREA VOCATIONAL EDUCATION ACT OF 1957

Mr. HILL. Mr. President, on behalf of myself, and Senators FULBRIGHT, SPARKMAN, TALMADGE, JACKSON, HENNINGS, CARLSON, COOPER, HUMPHREY, KERR, LANGER, MONRONEY, MORSE, PASTORE, MURRAY, SCOTT, ERVIN, MANSFIELD, CHAVEZ, AIKEN, SMITH of Maine, IVES, THYE, PAYNE, YOUNG, MAGNUSON, CHURCH, O'MAHONEY, CARROLL, SYMINGTON, KEFAUVER, JOHNSTON of South Carolina, CLARK, MCCLELLAN, WILEY, KENNEDY, POTTER, NEUBERGER, JAVITS, and McNAMARA, I introduce for appropriate reference a bill to assist States in providing needed vocational education of less than college grade in essential occupations, including retraining made necessary by scientific and technological developments, through establishment and maintenance of area vocational school programs providing vocational training and retraining for persons residing in the State or area, including related instruction for apprentices. I ask unanimous consent to have printed in the RECORD a statement prepared by me, explaining the purposes of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1298) to assist States in providing needed vocational education of less than college grade in essential occupations, including retraining made necessary by scientific and technological developments, through establishment and maintenance of area vocational school programs providing vocational training and retraining for persons residing in the State or area, including related instruction for apprentices, introduced by Mr. HILL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. HILL is as follows:

STATEMENT BY SENATOR HILL

The primary purpose of the measure is to assist States in the further development of vocational training in essential occupations for youths, adults, and older persons, residing in areas not now being adequately served. It would be especially helpful to States in providing training and retraining made necessary by new scientific and technological developments and relocation of industries.

If enacted into law, this measure will help our Nation to win the economic war with Russia, which is beginning to take form. The future of America is tied inseparably to the skills and productivity of the masses.

This proposed legislation will encourage States and local communities to develop vocational programs of less than college grade in keeping with local, State, and National needs. A recent survey shows that virtually every State is now operating one or more area vocational education programs. Federal funds would help stimulate the further development of this vital program and thus greatly strengthen our Nation.

The bill, if enacted, would authorize appropriations as follows: \$5 million for the 1st year; \$7,500,000 for the 2d year; \$10 million for the 3d year and such amount for each fiscal year thereafter as may be necessary for carrying out the provisions of the act. It contains provisions for minimum amounts for States with small populations. It also authorizes an appropriation of \$500,000 for State supervision of industrial arts education. The measure provides for allotting funds to States on a composite of the formula used in the George-Barden Vocational Education Act. This formula has proved satisfactory for more than 20 years.

Funds appropriated under the provisions of the measure would, after the first year, be matched by State or local funds or both—75 percent of the funds must be matched the 2d and 3d years and 100 percent thereafter. Funds may be used for determining need, planning, developing, and operating area vocational education programs, including among other things, salaries and necessary travel expenses of personnel; purchase, rental or other acquisition, and maintenance and repair of instructional equipment; and purchase of instructional supplies and teaching aids.

To receive benefits under the measure a State board for vocational education may submit to Federal authorities a separate State plan or an amendment to its present State plan for vocational education. The program at the State level will be under the supervision and control of the State board for vocational education. It will be administered at the national level by the United States Commissioner of Education under the Department of Health, Education, and Welfare.

As defined in this measure, "the term 'area vocational school program' means a program of a tax-supported school operated by State or local public school authorities consisting of one or more less-than-college-grade courses of vocational training and related instruction (including related instruction for apprentices) on an organized, systematic class basis, made available to residents of the State or an area thereof designated and approved by the State board, who either have completed junior high school or, regardless of their school credits, are at least 16 years of age and can profit by instruction offered."

AMENDMENT OF RAILROAD RETIREMENT, RAILROAD RETIREMENT TAX, AND RAILROAD UNEMPLOYMENT INSURANCE ACTS

Mr. MORSE. Mr. President, on behalf of myself, and Senators MURRAY, NEELY, KENNEDY, NEUBERGER, COOPER, and BEALL, I introduce, for appropriate reference, a bill containing a group of railroad retirement and unemployment insurance amendments to existing legislation.

Congress has an unfinished job and an unfulfilled obligation to discharge—the enactment of railroad-retirement legislation. Toward the close of the last Congress I called on Congress to do that by deciding upon the final plan of a bill for railroad-retirement amendments and then to enact that bill.

Unfortunately that was not done. We in the 85th Congress must do the job, without dragging our feet, in order to do justice to retired railroaders and their survivors and those who are working toward retirement. We have the duty to them and the community at large to

keep up to date the retirement purchasing power of the people who make our railroads run.

Toward that end I am introducing a bill to improve the Railroad Retirement Act and the Railroad Unemployment Insurance Act. It is a companion to H. R. 4101 recently introduced by the chairman of the House Committee on Interstate and Foreign Commerce.

As chairman of the subcommittee on railroad retirement I shall do everything that I can to insure that this bill, and any others on the subject, receive prompt and thorough consideration so that a fair and workable bill will come before the Senate. To that end I plan hearings for the week of March 11. The exact dates will be announced soon.

I ask unanimous consent that the bill, together with a brief analysis of its provisions, may be printed in the RECORD, and that the bill lie on the table for the remainder of this week, for the addition of the names of other cosponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and analysis will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 1313) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, introduced by Mr. MORSE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

SECTION 1. (a) Section 2 (a) 3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"3. Individuals who will have attained the age of 60 and will have completed 30 years of service or, in the case of women, who will have attained the age of 62 and will have completed less than 30 years of service, but the annuity of such individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he or she is under age 65 when the annuity begins to accrue."

(b) Section 2 (d) of such act is amended by adding at the end thereof the following new sentence: "If, pursuant to the third sentence of this subsection, an annuity was not paid to an individual with respect to 1 or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed \$1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of \$1,200, the number of months in such year with respect to which an annuity is not payable by reason of such third and fifth sentences shall not exceed 1 month for each

\$100 of such excess, treating the last \$50 or more of such excess as \$100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger."

(c) Section 2 (e) of such act is amended by striking out "than an amount" and inserting in lieu thereof "than 110 percent of an amount."

(d) Section 2 (g) of such act is amended by inserting after "wife under age 65" the following: "(other than a wife who is receiving such annuity by reason of an election under subsection (h))."

(e) Section 2 of such act is further amended by adding at the end thereof the following new subsection:

"(h) A spouse who would be entitled to an annuity under subsection (e) if she or he had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by one one-hundred-and-eightieth for each calendar month that the spouse is under age 65 when the annuity begins to accrue."

SEC. 2. (a) Section 3 (a) of the Railroad Retirement Act of 1937 is amended (1) by striking out "3.04", "2.28", and "1.52" and inserting in lieu thereof "3.35", "2.51", and "1.67", respectively; and (2) by striking out "\$200" and inserting in lieu thereof "\$250."

(b) Section 3 (c) of such act is amended by inserting after "or in excess of \$350 for any month after June 30, 1954," the following: "and before July 1, 1957, or in excess of \$400 for any month after June 30, 1957."

(c) Section 3 (e) of such act is amended (1) by striking out "\$4.55" and "\$75.90" and inserting in lieu thereof "\$5.00" and "\$83.50", respectively; (2) by striking out "is less than the amount, or the additional amount" and inserting in lieu thereof "is less than 110 percent of the amount, or 110 percent of the additional amount"; (3) by inserting after "age 65," the following: "women entitled to spouse's annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202 (q) of the Social Security Act,"; and (4) by striking out "such amount of such additional amount" and inserting in lieu thereof "110 percent of such amount or 110 percent of such additional amount."

SEC. 3. (a) Sections 5 (f) (1) of the Railroad Retirement Act of 1937 is amended (1) by striking out of the first sentence the following: "who will have died leaving no widow, widower, child, or parent who would on proper application therefor be entitled to receive an annuity under this section for the month in which such death occurred"; (2) by inserting in the first sentence after "10 times the employee's basic amount" the following: ", but not to exceed a total of \$750,"; and (3) by striking out the fourth sentence.

(b) Section 5 (f) (2) of such act is amended by striking out "and 7 percent of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of \$300 for any month before July 1, 1954, and in the latter case in excess of \$350 for any month after June 30, 1954)," and by inserting in lieu thereof the following: "plus 7 percent of his or her compensation paid after December 31, 1946, and before January 1, 1957, plus 7½ percent of his or her compensation paid after December 31, 1956, and before January 1, 1958, plus 8 percent of his or her compensation paid after December 31, 1957 (exclusive of compensation in excess of \$300 for any month before July 1, 1954, and in excess of \$350 for any month after June 30, 1954, and before July 1, 1957, and in excess of \$400 for any month after June 30, 1957),";

(c) Section 5 (h) of such act is amended by striking out "\$33", "\$176", and "\$15.40" wherever they appear and inserting in lieu thereof "\$36.30", "\$193.60", and "\$16.95", respectively.

(d) Section 5 (i) (1) (ii) of such act is amended by striking out "or in which month he engaged on seven or more different calendar days in noncovered remunerative activity outside the United States (as defined in sec. 203 (k) of the Social Security Act)" and inserting in lieu thereof the following: "or, having engaged in any activity outside the United States, would be charged under such section 203 (e) with any earnings derived from such activity if it had been an activity within the United States."

(e) Clause (A) (1) of section 5 (1) (9) of such act is amended by striking out the word "and" appearing after "July 1, 1954," and by inserting after "June 30, 1954," the following: "and before July 1, 1957, and any excess over \$400 for any calendar month after June 30, 1957."

(f) Clause (A) (ii) of section 5 (1) (19) of such act is amended (1) by inserting "and before 1957" after "1954" where it first appears; (2) by inserting after "\$4,200" where it first appears the following: "or, for the calendar year 1957 is less than \$4,500, or for any calendar year after 1957 is less than \$4,800,"; (3) by striking out "\$350" and inserting in lieu thereof "\$400"; and (4) by striking out "and \$4,200 for the years after 1954, by" and inserting in lieu thereof the following: ", \$4,200 for years after 1954 and before 1957, \$4,500 for the year 1957, and \$4,800 for years after 1957, by."

(g) Section 5 (1) (10) of such act is amended by striking out "44", "11", "\$350", "\$15.40", "\$33.66", "\$27.50", and "\$14.66" wherever they appear and inserting in lieu thereof "49", "12", "\$400", "\$16.95", "\$40.33", "\$30.25", and "\$16.13", respectively.

SEC. 4. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that act awarded before July 1, 1957, and all annuities under the Railroad Retirement Act of 1935, are increased by 10 percent.

SEC. 5. (a) The amendments made by section 1 (other than subsec. (b) thereof), by subsections (a) and (c) of section 2, and by subsections (c) and (d) of section 3 shall be effective only with respect to annuities (not including annuities to which sec. 4 applies) accruing for months after June 1957. The amendment made by subsection (b) of section 1 shall be effective with respect to annuities accruing during the calendar year 1957 and subsequent calendar years. The amendments made by subsections (a) and (b) of section 3 shall be effective only with respect to lump-sum payments (under secs. 5 (f) (1) and 5 (f) (2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1957. The amendments made by subsection (g) of section 3 shall be effective only with respect to annuities accruing for months after June 1957 and lump-sum payments (under sec. 5 (f) (1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1957. Section 4 shall be effective only with respect to pensions due in calendar months after July 1957 and annuities accruing for months after June 1957.

(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

PART II—AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

SEC. 201. (a) Sections 3201, 3202 (a), 3211, and 3221 of the Railroad Retirement Tax Act are each amended (1) by striking out "after December 31, 1954" wherever it appears and

inserting in lieu thereof "after June 30, 1957", and (2) by striking out "\$350" wherever it appears and inserting in lieu thereof "\$400."

(b) Sections 3202 (a) and 3221 of such act are each further amended by striking out "after 1954" and inserting in lieu thereof "after June 1957."

(c) Sections 3201 and 3221 of such act are each further amended by striking out "6½ percent" and inserting in lieu thereof "7½ percent."

(d) Section 3201 of such act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "Provided, That the rate of tax imposed by this section shall be increased, with respect to compensation paid after December 31, 1969, for services rendered after such date, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956."

(e) Section 3211 of such act is further amended by striking out "12½ percent" and inserting in lieu thereof "15 percent", and by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "Provided, That the rate of tax imposed by this section shall be increased, with respect to compensation paid after December 31, 1969, for services rendered after such date, by a number of percentage points (including fractional points) equal at any given time to twice the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956."

(f) Section 3221 of such act is further amended by inserting "(a)" before "In addition", and by adding at the end thereof the following new subsection:

"(b) The rate of tax imposed by subsection (a) shall be increased, with respect to compensation paid after December 31, 1969, for services rendered after such date, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3111 at such time exceeds the rate provided by paragraph (2) of such section 3111 as amended by the Social Security Amendments of 1956."

SEC. 202. The amendments made by section 201 shall, except as otherwise provided in such amendments, be effective only with respect to compensation paid after June 30, 1957, for services rendered after such date.

PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

SEC. 301. Section 1 (i) of the Railroad Unemployment Insurance Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof "Provided, however, That in computing the compensation paid to any employee, no part of any month's compensation in excess of \$300 for any month before July 1, 1954, or in excess of \$350 for any month after June 30, 1954, and before July 1, 1957, or in excess of \$400 for any month after June 30, 1957, shall be recognized."

SEC. 302. (a) Section 2 (a) of the Railroad Unemployment Insurance Act is amended by striking out the language between "(i)" and "(ii)" and inserting in lieu thereof the following: "for each day of unemployment in excess of four during any registration period, and".

(b) Section 2 (a) of such act is further amended by striking out columns I and II and inserting in lieu thereof the following:

Column I Total compensation	Column II Daily benefit rate
\$500 to \$699.99	\$4.50
700 to 999.99	5.00
1,000 to 1,299.99	5.50
1,300 to 1,599.99	6.00
1,600 to 1,899.99	6.50
1,900 to 2,199.99	7.00
2,200 to 2,499.99	7.50
2,500 to 2,799.99	8.00
2,800 to 3,099.99	8.50
3,100 to 3,499.99	9.00
3,500 to 3,999.99	9.50
4,000 and over	10.20."

(c) The proviso in such section 2 (a) is amended by striking out "50" and "\$8.50" and inserting in lieu thereof "60" and "\$10.20", respectively.

SEC. 303. Section 2 (c) of the Railroad Unemployment Insurance Act is amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "And provided, further, That, with respect to an employee who has 5 or more years of service as defined in section 1 (f) of the Railroad Retirement Act of 1937, who did not voluntarily leave work without good cause or voluntarily retire, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the benefit year in which such rights are exhausted shall be deemed not to be ended until the last day of the extended benefit period determined under the following schedule, and the maximum number of days of, and amount of payment for, unemployment within such benefit year for which benefits may be paid to the employee shall be enlarged to include all compensable days of unemployment within such extended benefit period:

The extended benefit period shall begin on the first day of unemployment following the day on which the employee exhausted his then current rights to normal benefits for days of unemployment and shall continue for successive 14-day periods (each of which periods shall constitute a registration period) until the number of such 14-day periods totals—	
"If the employee's 'years of service' total—	
5 and less than 10.....	39
10 and less than 15.....	65
15 and less than 20.....	91
20 and over.....	117

but no such extended benefit period shall extend beyond the beginning of the first registration period in a benefit year in which the employee is again qualified for benefits in accordance with section 3 of this act on the basis of compensation earned after the first of such successive 14-day periods has begun. For an employee who has 5 or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has 14 or more consecutive days of unemployment, and who is not a 'qualified employee' for the general benefit year current when such unemployment commences but is or becomes a 'qualified employee' for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences."

SEC. 304. Section 3 of the Railroad Unemployment Insurance Act is amended by striking out "\$400" and inserting in lieu thereof "\$500."

SEC. 305. Section 4 (a-2) of the Railroad Unemployment Insurance Act is amended by striking out subdivision (iv), and by striking out the semicolon at the end of subdivision (iii) and inserting in lieu thereof a period.

SEC. 306. Section 8 (a) of the Railroad Unemployment Insurance Act is amended (1) by inserting after "June 30, 1954" where it first appears the following: ", and before July 1, 1957, and is not in excess of \$400 for any calendar month paid by him to any employee for services rendered to him after June 30, 1957"; (2) by inserting after "June 30, 1954" where it appears for the second time the following: ", and before July 1, 1957, and to not more than \$400 for any month after June 30, 1957"; (3) by inserting after "June 30, 1954" where it appears for the third time the following: ", and before July 1, 1957, or less than \$400 if such month is after June 30, 1957"; (4) by striking out "1947" in paragraph 2 and inserting in lieu thereof "1957"; and (5) by striking out the table (except the column headings) in such paragraph 2 and inserting in lieu thereof the following:

"\$450,000,000 or more.....	2 percent
\$400,000,000 or more but less than \$450,000,000.....	2½ percent
\$350,000,000 or more but less than \$400,000,000.....	3 percent
\$300,000,000 or more but less than \$350,000,000.....	3½ percent
Less than \$300,000,000.....	4 percent."

SEC. 307. Section 8 (b) of the Railroad Unemployment Insurance Act is amended (1) by striking out "3 per centum" and inserting in lieu thereof "4 per centum"; and (2) by inserting before the period at the end of the first sentence the following: ", and before July 1, 1957, and as is not in excess of \$400 paid to him for services rendered as an employee representative in any calendar month after June 30, 1957."

SEC. 308. The amendments made by sections 302, 303, and 305 shall be effective with respect to benefits accruing in general benefit years which begin after the benefit year ending June 30, 1957, and in extended benefit periods which begin after December 31, 1956. The amendment made by section 304 shall be effective with respect to base years after the base year ending December 31, 1956. The amendment made by clause (1) of section 307 shall apply with respect to compensation paid for services rendered in calendar months after June 30, 1957.

The analysis presented by Mr. MORSE is as follows:

ANALYSIS

PART 1. THE RAILROAD RETIREMENT ACT

1. All annuities (age and disability retirement, spouses', and survivors') pensions, and insurance lump sums, under the Railroad Retirement Act would be increased by 10 percent (except annuities which are, or would be, based on the equivalent of the annuitant's average monthly compensation while working in the railroad industry);

2. An employee who was retired on an annuity by reason of disability would not lose the annuity for any month in which he earned more than \$100 in outside employment if his total earnings in the year, which includes such month, do not exceed \$1,200; and if such earnings exceed \$1,200, the annuitant would not lose more than 1 month's annuity for each \$100 of such excess, treating the last \$50 or more of such excess as \$100;

3. Women railroad employees with less than 30 years of service, would be eligible for annuities at age 62 rather than age 65, but the annuity would be on a reduced basis (women with 30 years of service are now, and will continue to be, eligible for full retirement at age 60);

4. A spouse's annuity would be payable at age 62, rather than age 65, upon election

of the spouse to receive such annuity on a reduced basis;

5. The "insurance" lump sum (which is not now payable if the deceased employee is survived by a person entitled to an annuity in the month in which the employee died) would be payable even if the deceased is survived by a person so entitled, but the amount would in no case exceed \$750;

6. The maximum creditable compensation under the act would be increased from \$350 to \$400 a month, effective with respect to compensation for service after June 30, 1957;

7. The residual lump sum would be increased to reflect the increase in the maximum creditable monthly compensation; and

8. For survivor beneficiaries who work outside the United States the work limitations on benefits would be the same as are now provided for work in the United States.

PART II. THE RAILROAD RETIREMENT TAX ACT

In order to provide funds for the proposed increases in benefits, and to take care of any present deficiency in the railroad retirement account, the Railroad Retirement Tax Act would be amended as follows:

1. The tax base would be increased from the present maximum of \$350 a month to \$400, effective with respect to compensation for service after June 30, 1957;

2. The tax rates on employers and employees would be increased from the present 6½ percent of payroll on each side, up to \$350 a month, to 7½ percent of payroll on each side, up to \$400 a month, effective with respect to compensation for service after June 30, 1957;

3. The tax rates on employee representatives would be increased from the present 12½ percent of payroll, up to \$350 a month, to 15 percent of payroll, up to \$400 a month, effective with respect to compensation for service after June 30, 1957; and

4. An additional increase in tax rates with respect to compensation paid for services beginning January 1, 1970, is provided, but such increase would be conditioned upon, and would be equal to the number of percentage points (including fractional points) of the increase in the rate of social security employment taxes which, as now scheduled, would not be effective before 1965. (The reason for this proposed conditional increase is that if social-security taxes increase as scheduled, the retirement account will be charged correspondingly more under the financial interchange arrangement, and to the extent of such increases scheduled for 1965 and thereafter it is necessary to increase retirement taxes to the same extent on compensation paid after 1969 in order to continue on an actuarially sound basis.)

PART III. THE RAILROAD UNEMPLOYMENT INSURANCE ACT

In order to improve the lot of unemployed railroad workers, the Railroad Unemployment Insurance Act would be amended as follows:

1. The daily benefit rate would be increased from 50 percent of compensation for the employee's last employment in a base year, to 60 percent of such compensation;

2. The maximum daily benefit rate would be increased from \$8.50 to \$10.20;

3. Sundays and holidays would be treated as days of unemployment for unemployment purposes;

4. The number of days for which benefits may be paid in the first registration period in a benefit year would be 10 (instead of 7), the same as in subsequent registration periods in the same benefit year;

5. For a career railroad employee (one with at least 5 years of railroad service) who is out of work through no fault of his own, the bill would extend the period during which he may receive benefits. These extended

periods would vary in length, depending, generally, on the length of the beneficiary's previous employment, so that an unemployed man with 20 or more years of service would receive benefits for as much as 4½ years longer than he might otherwise receive;

6. The minimum earnings in a base year which would qualify an employee for benefits in the benefit year would be increased from \$400 to \$500;

7. The maximum taxable earnings in a month would be increased from \$350 to \$400; and

8. The contribution rate would be increased to 2 percent of creditable compensation when the balance in the railroad unemployment insurance account would total \$450 million or more; and this rate would be increased, by steps, to 4 percent of such compensation when the balance in the account fell below \$300 million.

The bill (H. R. 3665) by Mr. McCARTHY would exempt from Federal income tax and withholding all employees railroad retirement taxes.

Mr. MORSE subsequently said: Mr. President, today I introduced a bill in behalf of myself, the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Massachusetts [Mr. KENNEDY], my colleague, the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Kentucky [Mr. COOPER], and the Senator from Maryland [Mr. BEALL].

I wish the RECORD to show definitely that neither the first sponsor of the bill nor the cosponsors take the position that this bill is the bill which should be passed without any changes. All we say, Mr. President, is that a strong prima facie case has been made for the proposals contained in the bill. We think the bill should be submitted to very early hearings, and if the evidence shows that changes will make it a better bill, I can assure the Senate each one of us in our individual capacities reserves the right to consider such changes.

It is in that spirit and with that feeling that I introduce the bill, urging, as I do so, that the best bill which can be reported by the committee, after full hearings, ought to be considered and passed at this session of Congress, because the great body of railroad workers should receive the justice which is due them and which was not given them in the last session of the Congress as a result of unfortunate delays. As chairman of the subcommittee let me say that we are going to do everything within our power to get the earliest possible action on a fair railroad retirement bill in this session of the Congress.

Mr. COOPER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. COOPER. I am in full accord with the statements which have been made by my distinguished colleague, the senior Senator from Oregon. In 1954, when I was a member of the Senate Committee on Labor and Public Welfare, I had the opportunity to serve as chairman of the subcommittee which considered at that time amendments to the Railroad Retirement Act, and in that session of the Congress the bill was passed.

I agree with my distinguished colleague from Oregon that steps must be taken to make that act more effective.

I should like to say for myself that I, too, reserve my decision. While agreeing with the objectives of the bill which has been introduced, I hold myself open to recommend and to support such changes as will make the bill more effective and more in accord with the general objective.

Mr. MORSE. I thank the Senator from Kentucky very much.

CHRISTOFFER HANNEVIG—REFERENCE OF CLAIM TO COURT OF CLAIMS

Mr. GREEN. Mr. President, on behalf of myself, and the senior Senator from Wisconsin [Mr. WILEY], I introduce, for appropriate reference, a joint resolution which, if enacted, would confer jurisdiction upon the Court of Claims to adjudicate the claim of one Christoffer Hannevig, of Norway, for compensation against the United States. The claim is allegedly derived from the requisition of certain properties by agencies of the United States Government during the First World War.

The United States has consistently denied the validity of the Hannevig claim, which is predicated upon his alleged interest in certain corporations affected by the requisition orders. Nevertheless, in a convention between Norway and the United States which entered into force on November 9, 1948—TIAS, 8665; 62d Statutes at Large, page 1798—it was agreed that the Hannevig claim would be referred to the Court of Claims, with possible appeal to the United States Supreme Court, in the event that the two Governments were unable to reach a settlement by diplomatic procedures. Such procedures have reached an impasse.

Article II of the convention specifically recognized that the provisions for referring the claim to the American courts "are subject to authorization by the Congress of the United States." The bill which I am now introducing would provide the requisite legislative authorization to enable the United States to comply with an international obligation which it assumed in the convention. By this bill, our Government is merely giving effect to procedures originally contemplated when the Senate gave its approval to the convention.

I should add, Mr. President, that the claim here involved seeks the recovery of a principal sum of \$25 million, together with interest computed from 1917 at the rate of 6 percent. Although it believes the legal basis of the claim to be highly dubious, the Department of State is most desirous that the issue be adjudicated and disposed of by our courts, not only to remove a long-standing source of irritation between Norway and the United States, but also to give effect to an international obligation we assumed in 1948.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks a letter

dealing with this matter sent to the Vice President by the Secretary of State.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S. J. Res. 64) to implement the Convention between the United States of America and Norway, which entered into force on November 9, 1948, for the disposition of the claim against the Government of the United States of America asserted by the Government of Norway on behalf of Christoffer Hannevig, introduced by Mr. GREEN (for himself and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Foreign Relations.

The letter presented by Mr. GREEN is as follows:

DEPARTMENT OF STATE,
Washington, December 26, 1956.
The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: I enclose a draft of proposed legislation to implement the Convention between the United States and Norway, which entered into force on November 9, 1948, relating to the disposition of an international claim against the United States asserted by the Government of Norway on behalf of Christoffer Hannevig.

The claim is advanced on account of losses and damages alleged to have been sustained by Christoffer Hannevig as a result of acts of this Government, the United States Shipping Board Emergency Fleet Corporation, their officers and agents, in connection with requisition orders affecting certain properties in the United States during World War I.

It was stipulated in the above-mentioned Convention (TIAS 1865; 62 Stat. 1798) that the facts and law relating to the claim be developed by pleadings and briefs to be exchanged by the respective agents of the two Governments. It was also stipulated that if the two Governments were, after such exchange, unable to agree upon a disposition of the claim through diplomatic discussions, the pleadings, and briefs so exchanged be submitted for decision by the United States Court of Claims, with possible appeal to the Supreme Court of the United States. Article II of the Convention contained an understanding that the provisions for possible reference of the claim to the courts "are subject to authorization by the Congress of the United States of America."

In view of the fact that, after considering the pleadings and briefs which were exchanged, the two Governments were not able to agree upon a disposition of the claim through diplomatic discussions, it is respectfully requested that the Congress enact legislation vesting the courts with jurisdiction to decide the case, as contemplated by the Convention.

A similar communication is being sent to the Speaker of the House of Representatives.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this proposal to the Congress for its consideration.

Sincerely yours,

JOHN FOSTER DULLES.

MARIA CACCOMO—AMENDMENT

Mr. WILLIAMS submitted an amendment, in the nature of a substitute, intended to be proposed by him to the bill (S. 308) for the relief of Maria Caccomo, which was referred to the Committee on the Judiciary and ordered to be printed.

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PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST—AMENDMENTS

Mr. O'MAHONEY. Mr. President, I submit amendments, intended to be proposed by me, to the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence. I ask unanimous consent that the amendments may be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 4, line 13, strike out "Charter of the United Nations" and insert in lieu thereof "Constitution of the United States."

On page 5, line 9, after the word "used" insert "for either economic or military assistance."

INCREASED COMPENSATION TO CERTAIN VETERANS AND THEIR DEPENDENTS—ADDITIONAL CO-SPONSOR OF BILLS

Mr. MALONE. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Indiana [Mr. JENNER] may be added as an additional cosponsor to the bill (S. 39) to increase the monthly wartime rates of compensation payable to service-connected disabled veterans, and to the bill (S. 40) to liberalize the basis for payment, and to increase the monthly rates, of death pension payable to widows and children of deceased veterans of World Wars I and II and of the Korean conflict, introduced by me, on behalf of myself and other Senators, on January 7, 1957.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GORE:

Address delivered by Senator PASTORE at the American Chemical Society symposium, held at Johnson's Hummocks, Providence, R. I., February 8, 1957.

By Mr. BUTLER:

Statement prepared by him on Ukrainian Independence Day.

By Mr. MCCARTHY:

Report No. 13 by him to the people of Wisconsin.

By Mr. KEFAUVER:

Article by Senator HENNINGS entitled "Washington Seminar on Government," published in the NEA Journal for February 1957.

By Mr. CASE of New Jersey:

Editorial from the Newark (N. J.) Star-Ledger of January 26, 1957, and letter written by him relating to Government aid to colleges.

NOTICE OF HEARING ON NOMINATION OF CLEMENT F. HAYNSWORTH, JR., OF SOUTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE, FOURTH CIRCUIT

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, March 7, 1957, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Clement F. Haynsworth, Jr., of South Carolina, to be United States Circuit Judge, fourth circuit, vice Armistead M. Dobie, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], chairman, the Senator from West Virginia [Mr. NEELY], and the Senator from Indiana [Mr. JENNER].

CENTENNIAL OF THE AMERICAN INSTITUTE OF ARCHITECTS

Mr. FLANDERS. Mr. President, February 23, 1957, marks the 100th anniversary of one of our country's most distinguished professional societies—the American Institute of Architects.

As the national organization representing the American architect, the American Institute of Architects is making a vital contribution to the material and cultural welfare of our people. Its first century of service is filled with great achievements in solving the complex problems of planning human environment.

One of these important achievements is the continuing effort of the AIA to maintain and raise the professional standards and the strict code of ethics which govern the practice of the architectural profession and the relationship of the architect with his client. Before the AIA was founded on February 23, 1857, untrained and unqualified persons, many of them engaged in cut-throat competition among each other, frequently undertook to practice architecture with the result that our buildings were often unsafe and esthetically unworthy. Today, thanks to the idealism of the 13 young architects who founded the AIA 100 years ago, our people and their Government can confidently expect the professional and duly registered architect to provide competent and devoted service with the highest technical and esthetic standards of any nation in the world.

Early in its history, the AIA recognized that the betterment of the architectural profession required it to give guidance and support to the training of young people in the art and skills of architecture. The AIA was instrumental in the establishment of the Nation's first architectural schools at the Massachusetts Institute of Technology, Columbia University, and the University of Illinois. It is giving active support to the more than 100 architectural schools which have been founded since that time.

While the AIA and its 12,000 members, organized in 124 local chapters, are constantly striving for progress in the technology and art of building, the institute is also deeply devoted to preserving and cherishing the best in our architectural tradition. It has demonstrated this in its energetic efforts to restore the original concepts which Thomas Jefferson and his great contemporary, the French architect L'Enfant, held of the Nation's Capital. The AIA has set an example of maintaining our great architectural monuments by restoring Washington's charming Octagon House, once the home of President Madison, and making it its national headquarters.

Elsewhere, too, local chapters of the AIA are guiding the planning and rebuilding of our communities to safeguard the architectural heritage of the past, erase the blight and ease the congestion of the present, and accommodate the new requirements of the future.

History has recorded that the most enduring monuments of any civilization are its buildings in which its people dwell, conduct their business, entertain themselves, house their treasures, practice the arts and sciences, and worship God. All these activities are as much influenced by the buildings in which they take place, as these structures are influenced by the manner in which we live, earn our bread, pursue our search for knowledge, and worship. Thus, the architect who plans and designs our environment bears a heavy responsibility as the catalyst of our culture.

The American architect, and the American Institute of Architects as the national organization which works for his betterment and represents him, are assuming this responsibility to our people and our Nation in a manner which merits our tribute. Speaking as a citizen, I can say that we are deeply grateful for the fine work the men and women of the American Institute of Architects are doing. We extend our heartfelt congratulations to this society on the occasion of its centennial year, and wish it well in the national centennial celebration, to be held here in Washington this coming May.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The PRESIDING OFFICER (Mr. JAVITS in the chair). Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee in the nature of a substitute, which is the pending amendment.

Mr. JOHNSON of Texas. Mr. President, there are many Members of the Senate who desire to speak on the pend-

ing resolution. I have been informed by some of those Senators that they are not ready to speak at this stage of the debate. I think the average Senator prefers to speak when the Chamber is full and after a unanimous-consent agreement has been reached, and when he is sure that most of the Senators will hear what he has to say. But, Mr. President, we are not in a position to obtain an agreement to limit discussion at this time, and I want to appeal to Senators who desire to speak on the pending resolution to prepare themselves, and to appear, and to speak.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF DATE FOR FILING OF COMMITTEE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 91, Senate Resolution 99, submitted by the Senator from Montana [Mr. MANSFIELD]. Before the clerk reads the title for the information of the Senate, I will say that it is a resolution which merely extends the date for the filing of a committee report. It has been cleared with both myself and with the minority leader. Probably it will require no discussion or debate. However, it is necessary to extend the date for the filing of the report. I hope the Senate may act on it at this time.

Mr. KNOWLAND. Mr. President, I have no objection. The distinguished majority leader, with his customary courtesy, has consulted me in connection with this resolution, as he always consults me on these matters. It is a resolution which should be considered and disposed of promptly.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from California has the floor.

DEBATE ON THE MIDDLE EAST RESOLUTION

Mr. KNOWLAND. Mr. President, I should like to take this opportunity to say something which I believe is equally applicable to Senators on both sides of the aisle, and I have requested the secretaries to contact Members of the Senate on this side of the aisle in connection with it.

I hope very much that Senators who desire to speak on the pending joint resolution dealing with the Middle East may do so. We are now in our second day of debate of the joint resolution. I know there is a great deal to be said on it. Therefore, I hope that the speeches may be made while we have the time, rather than next week, when perhaps we may have in effect a unanimous consent agreement to limit debate. In that case

a limitation on time would be in effect and there would not be as much time available for debate as there is now.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I say this in no criticism of anyone. However, we are now debating the Middle East resolution, and it is my hope that every Senator will take advantage of the time now available to make his position known. I yield to the distinguished majority leader.

Mr. JOHNSON of Texas. I share the views stated by the distinguished minority leader and I have expressed as forcefully as I can the sentiments just stated by him. I have asked the clerk of the Committee on Foreign Relations and the clerk of the Committee on Armed Services to notify all members of the committee who may desire to discuss the joint resolution that there is time available for such discussion, certainly today, and I believe also tomorrow.

The majority leader is prepared to vote on the joint resolution now. We have had extended hearings on it. I have very definite views in connection with the matter, and those views have already been expressed by me to the Senate. I do not wish to act in haste, and I do not wish to preclude any Senator from stating his views at such length as he may desire.

However, Mr. President, we will not dillydally on a matter of such great importance. If there are no speakers present in the Chamber and if there should be a quorum call, and no Senators desire to speak, there will be just one thing to do, and that is to call the roll and have a vote on the resolution. Therefore, I join the distinguished minority leader in expressing the hope that the staffs of the respective committees will notify Senators that time is available to make their presentations.

NEW YORK TIMES COMMENT ON SENATOR ELLENDER'S REPORT

Mr. ELLENDER. Mr. President, the New York Times is almost universally regarded as one of our country's truly great newspapers. Its standards of fairness, accuracy, and objectivity have consistently been high—so much so that many of America's smaller newspapers have used the New York Times almost as a journalistic bible.

I was therefore extremely disappointed to find in the New York Times editorial of February 11, 1957, entitled, "Mr. ELLENDER'S Report" a number of inaccuracies. I feel sure that these were unintentional, but I should like at this time to set the record straight.

First, in referring to me personally, the editorial states:

He is especially concerned with our whole foreign-aid program. It will be remembered that he was sternly opposed to it before he left on this fact-finding tour.

Mr. President, I have never been opposed to our "whole foreign-aid program." As a matter of fact, I supported the Marshall plan for Western Europe at its inception and I voted for it for at least 3 years. I have no apologies to make for that support, or for my votes

for the program. However, after the original goals proposed to be achieved by the program had been exceeded, I felt it my duty to raise my voice in protest.

I have taken pains to emphasize on a number of occasions that I have never opposed our whole foreign-aid program in its entirety.

For example, in reporting on my 1955 inspection trip, I told the Senate on June 23, 1956, CONGRESSIONAL RECORD, volume 102, part 8, pages 11208-11219, that too much of our assistance consists of techniques, supplies, and capital projects far beyond the capabilities of peoples of underdeveloped lands to absorb. At that time, as on a number of other occasions, I concisely stated my prime criticism of our aid program—not that it exists, at all, but rather that it is loaded with waste. I stated:

It strikes me that we could spend one-fourth of the money we are now spending in those areas and get more for it if only we undertook reasonable, realistic projects instead of the grandiose schemes hatched by the fertile minds of our eager Washington planners. (CONGRESSIONAL RECORD, vol. 102, pt. 8, p. 11213.)

I reaffirmed this observation this year, when I said:

It strikes me that a program to be of most benefit to those people should be started at the bottom rung of the ladder. We should educate the people there in keeping with their ability to carry on. (CONGRESSIONAL RECORD, Feb. 7, 1957, p. 1689.)

This precise statement was made with respect to our aid program in Indonesia; however, as my subsequent remarks amply demonstrated, it was applicable to all other underdeveloped lands now receiving United States aid. I said:

Moreover, as I stated before, no projects should be promoted in that area of the world unless the host country—in this case Indonesia—is in a position to carry them financially. Unless that course is followed we will be trying to educate men and women to operate many of the projects to which I have referred for a long time. Unless the host government itself has the money to keep the operations under way, the United States will have to carry the burden for a long time, for if we failed to do so, we would probably end up making more enemies than friends. (CONGRESSIONAL RECORD, Feb. 7, 1957, p. 1689.)

As for being opposed to our whole foreign-aid program, reference to my report on the Philippines, which I inserted into the CONGRESSIONAL RECORD of February 7, 1957, pages 1693-1694, will show that I stated, in part, referring to technical assistance programs there:

It is heartwarming to see men and women of this generation striving to better themselves by producing better livestock, using local products so as to provide a balanced diet for their families, and learning rudimentary techniques in food preservation.

These programs of self-help will certainly pay dividends—this will occur because we are attempting to assist the people of this generation. Certainly, programs of this nature are to be preferred to the outright grant-aid which, if given lavishly, will result in the loss of self-respect by the donees * * *.

Mr. President, I believe these quotations, which were available to the New York Times reporters as well as its editorial writers, amply demonstrate that I was not sternly opposed to our whole

foreign-aid program before I left on my inspection trip.

Second, the editorial declares:

Everywhere that it has been tried, he (referring to me) now states, our large-scale economic aid has been an abysmal failure.

This reference to an abysmal failure was lifted completely out of context. The full portion of my prepared remarks was released to the press in advance of my address and the portion containing the phrase "Abysmal failure" reads as follows:

In spite of our huge expenditures in Western Europe, the United States seems compelled to maintain large information programs in these countries in order to demonstrate to the European governments that the United States is really not so bad, after all.

The record demonstrates an abysmal failure of the past program of large-scale economic aid, coupled with substantial sums in military assistance, as an effective means of winning the cold war.

Read in context, it is obvious that my reference to economic aid, and so forth, as an abysmal failure as a means of winning the cold war was in reference to Western Europe.

As for other areas of the world, I have frequently criticized the use to which this form of aid has been put, such as a light-bulb plant, a window-glass factory, and a number of other similar facilities in Formosa, flour mills in Korea, and the converting of an old opium plant in Saigon into a huge, air-conditioned motion picture studio for the use of the Government of Vietnam, because I felt the type of assistance rendered was nothing less than a complete waste of taxpayers' funds. As for being failures, these facilities are obviously just that if they are regarded as contributing anything substantial to bettering the way of life of the average man on the street whose homeland we are attempting to assist. However, I have never stated that everywhere that it has been tried economic aid has been an abysmal failure, and whoever wrote the editorial could have easily ascertained that by a bare minimum of research.

Third, the editorial raises a number of rhetorical questions, one of them being: In Western Europe, was the Marshall plan an abysmal failure?

Mr. President, if viewed in the light of its objectives, the Marshall plan has been an abysmal failure, even though it has restored the Western European countries to full economic health. The purpose of the Marshall plan was, as the Senate Committee on Foreign Relations stated in 1948 "to help European nations to help themselves to recovery in such a way as to become independent of outside assistance"—Senate Report No. 935, 80th Congress, 2d session, page 1.

Although the Marshall plan is generally regarded as having ended, reference to recent statistics will demonstrate that economic aid is still flowing to countries of Western Europe at this time—that Europe still is not independent of outside assistance.

In addition, in 1950, Paul Hoffman, at that time administrator of the

European Cooperation Administration, stated, with reference to the European aid program:

The surest way I know of to reduce the danger of war so that we may reduce our Military Establishment is to carry on the recovery program to a point where a free and self-sustaining and unified Europe is able to play its full role in cooperation with the United States and other free countries in maintaining the peace and prosperity of the world.

This statement was made in 1950 by Mr. Hoffman. On that occasion he stated that if we spent, not over \$30 billion, which we have spent, but only \$14 billion to \$17 billion, we would be able to attain the objective to which he referred.

This objective, too, has never been fulfilled, for while European industrial production today stands at 165 percent of prewar—compared with 125 percent of prewar which Mr. Hoffman had cited as the goal of the program—Europe is not helping the United States and other free countries in maintaining the peace. On the contrary, many countries in Western Europe are still standing with their hands out for more aid. I shall not discuss the part taken by France and England in the Suez Canal debacle, but we have obligated ourselves considerably to clear that mess.

There is no doubt that insofar as the economic goals of the Marshall plan are concerned, the program has been a success, for those goals were long ago achieved. However, so far as the political and related goals of the program are concerned—not the least of which was to place Western Europe in a position where she could be of aid to us, so we could taper off our foreign spending—the program has indeed been an abysmal failure, for the foreign spending still goes on and Europe is not helping us in other areas of the world to any appreciable extent. That fact, Mr. President, I have documented on this floor many times, and I shall not take up the time of the Senate to go into any more detail with reference to it.

It is this factor, and this factor primarily, about which I complain, and about which I believe the American people have a genuine right to complain, Mr. President.

Fourth, the editorial to which I have referred says this:

It will be recalled that even before he visited Korea Mr. ELLENDER had made his unfortunate reference to "bloodsucking" for which he subsequently made a halfhearted apology. In the light of such an episode his subsequent judgments, if they can be called that, are suspect, to say the least.

I told the Senate on February 7, 1957, that I never made such a statement (which is accurate); however, I might add at this point that if the Times desires to refer to an instance of where I did make such a statement, it might refer to CONGRESSIONAL RECORD, volume, 102, part 8, page 11210, where I stated, referring to our so-called NATO allies:

We still continue to be bloodsucked for more and more by our friends, who argue that we must continue to make these funds available to them, or the mutual defense program will collapse.

This statement was confined to our so-called allies in Western Europe; on the other hand, Mr. President, although I was referring to our Western allies, the term could as well apply to our own representatives who make up the budgets for the countries we are assisting.

In this connection, as I stated the other day, the budgets for Formosa and Korea—in fact, the budgets for all the countries of Asia—are not made by the government officials of those countries, but by our own representatives, good Americans, who, apparently do not consider that impact which all this spending will have on our own economy.

I never advocated, as the editorial states, that "we should quit spending ineffective money on the foes of Communists and instead 'begin dealing with the people of Russia'." I did advocate, and I shall advocate again and again and again, that the record has demonstrated that the outpouring of a solid and continuous stream of American wealth has, alone, worked no magic permanent change in the climate of the cold war. I believe, and I hope the New York Times will agree, that by capitalizing upon the increased educational level of the Russian people, by exposing them to our way of life, they can be made aware of the benefits a free life under a free government can offer. I believe that by so doing, a desire for a better life can be created among the Russian people, a desire which, if nourished carefully, can result in such pressure on the Russian leadership that it will renounce force as a weapon of foreign policy. I am anxious to let properly screened visitors from Russia see our homes, our farms, and our way of life. I think America and her freedoms have nothing to fear from a system which must hide its failure behind an Iron Curtain. I think that just as international communism seeks to capitalize upon the suppressed desires of underprivileged people for a better life, so can we capitalize upon the similar desires of the underprivileged people of Russia, with one glaring exception: Our campaign will be based upon truth, not fiction; upon demonstrable achievements, not merely vague Marxist promises. As I stated in my prepared remarks which were distributed to the press:

In other words, instead of relying solely upon a policy of deterrence by military force, an effort should be made to create a force within Russia, arising from the Russian people, to compel a change in Russian policies. In the interim, Western strength must be maintained; however, a successful conclusion of the program which I would like to see tried, would eventually result in a peaceful settlement between the Soviet Union and the United States and a consequent reduction in armaments.

I regret that I must take the time of the Senate to make this address, Mr. President; however, in order to keep the record straight, and in the interest of accuracy, I felt it was necessary for me to do so.

EXTENSION OF DATE FOR FILING OF COMMITTEE REPORT

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objec-

tion to the unanimous-consent request of the Senator from Texas [Mr. JOHNSON] for the immediate consideration of Senate Resolution 99?

There being no objection, the resolution (S. Res. 99) was considered and agreed to, as follows:

Resolved, That section 3 of Senate Resolution 162, agreed to February 8, 1956, to investigate matters pertaining to technical assistance and related programs, as amended by Senate Resolution 60, agreed to January 30, 1957, is further amended by striking out "February 28, 1957" and inserting in lieu thereof "March 31, 1957."

Mr. THYE. Mr. President, what was the resolution which was just agreed to?

Mr. JOHNSON of Texas. The resolution extended the filing date of a report from the Committee on Foreign Relations. Its consideration was agreed to by the distinguished minority leader and the majority leader, but before the question was put as to its consideration, the minority leader made a statement about the necessity of having Senators come to the floor to speak on the joint resolution concerning the Middle East. The majority leader concurred in that statement. Apparently the Presiding Officer, not wishing to interrupt either the minority leader or the majority leader while we were talking, did not put the question concerning the request of the majority leader that the Senate proceed to the consideration of Senate Resolution 99.

In the meantime, the distinguished Senator from Louisiana [Mr. ELLENDER] obtained the floor, and I assume this is the first opportunity which the Presiding Officer has had to put the question.

But I assure my distinguished friend, the acting minority leader, that he is fully protected. The majority leader would never permit advantage to be taken, if advantage could be taken, which the majority leader knows it could not be, so long as the distinguished Senator from Minnesota occupied the chair of the minority leader.

The resolution merely extends the date for the filing of a report by the Committee on Foreign Relations. The request for its consideration is fully concurred in by the very able and genial minority leader, the distinguished Senator from California [Mr. KNOWLAND], and by the majority leader.

Mr. THYE. The explanation made by the distinguished majority leader is sufficient for the acting minority leader. But the request had been made before I assumed this position, and for that reason I desired an explanation, because I had assured the minority leader that I would make certain that no proposed legislation would be passed without his being informed of it.

Mr. JOHNSON of Texas. The distinguished minority leader is fully informed, and the acting minority leader has the assurance of the Senator from Texas that no measure will ever be presented without the knowledge of the minority leader, if he does not always have his consent.

Mr. THYE. I am confident of that, but I wanted to know what was embodied in the resolution which was just agreed to.

Mr. JOHNSON of Texas. Mr. President, do I correctly understand that the resolution has been agreed to?

The PRESIDING OFFICER. The Senator's understanding is correct.

COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, while I have the acting minority leader, the Senator from Minnesota [Mr. THYE], in such a wonderful frame of mind—it is not always that one can get the Republicans to go along with us—I have a very unusual request to make. I feel certain I can get the Senate to agree to this, and I invite the attention of the acting minority leader to my request.

I ask unanimous consent that the Subcommittee on Constitutional Rights of the Committee on the Judiciary may be permitted to meet for a short while this afternoon while the Senate is in session. I am informed that the only witness who is scheduled to be heard is the minority whip, the distinguished Senator from Illinois [Mr. DIRKSEN]. Unless consent shall be given, the subcommittee cannot sit without violating the rules of the Senate, and the distinguished minority whip will be deprived of the opportunity to give his testimony on proposed legislation which is now being considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. THYE. There is no objection. I may say to the distinguished majority leader that the Republicans will always endeavor to be cooperative, as we always have been in the past, and I hope will be in the future.

Mr. JOHNSON of Texas. I thank the Senator.

The PRESIDING OFFICER. Without objection, the request is granted.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. CARLSON. Mr. President, I expect to speak rather briefly on the joint resolution which is now before the Senate.

I have not had the opportunity to hear the testimony that members of the Foreign Affairs and Armed Services Committees, have heard, but I have read some of the hearings and followed the releases from the committee very diligently.

President Eisenhower made it emphatically clear in his original announcement and served notice that the United States regards the preservation of the "independence and integrity of the nations of the Middle East not only as vital to the national interest, but also to world peace."

As I read President Eisenhower's statement, I tried to draw an analogy between our position as a nation in 1956 and the statement of policy that was issued in President Monroe's message to Congress on December 2, 1823, to the effect that the United States could not regard with indifference any further territorial expansion on the part of European powers on the American Continent.

I think it could be well said that statement on the part of President Monroe was made in regard to the preservation of the independence and integrity of the nations of the Western Hemisphere.

The exact words in President Monroe's message were:

The American continents by the free and independent condition which they have assumed and maintain are henceforth not to be considered as subjects for future colonization by any European powers.

While this message called attention to what President Monroe considered to be the difference between the political systems of the monarchies of Europe and of America, it definitely stated that any attempt on the part of these European monarchies to extend their system to any portion of the Western Hemisphere would be regarded as dangerous to the peace and safety of the United States.

Very spirited debate preceded the approval and adoption of the Monroe Doctrine by the Congress and its acceptance by the Nation.

The question at that time, as it is now, was how far our Nation should go in assuming obligations which we believe are in the interests of peace and security on every area of the globe.

It can be accurately stated that as a Nation—because of modern methods of communication and transportation—we are closer today to all areas of the globe than we were to countries in the Western Hemisphere in 1823. Today we are closer to the Suez Canal and to Cambodia in the Far East than we were to the Isthmus of Panama and Rio de Janeiro in 1823.

The Monroe Doctrine at the time of its adoption accomplished the very purpose for which it was established; namely, to warn a group of European powers, known as the Holy Alliance, not to interfere with the independence of the newly formed Spanish-American nations.

The actions taken under the Monroe Doctrine were unilateral actions. Under the joint resolution before the Congress at the present time, there is a declaration that when the President determines it is in the national interest of world peace for the United States to use its Armed Forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism, such assistance shall be available, provided that its employment shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations.

The Monroe Doctrine is simply an American policy, and since its adoption it has been used by practically every President of the United States. Under

some Presidents, this policy has approximated a claim of a protectorate over the Latin American countries, and, therefore, was deeply resented by them. However, it has never been our policy to regard the Monroe Doctrine as having such a meaning.

Under the administration of President Franklin D. Roosevelt, we did adopt a policy whereby all the American States were pledged to oppose aggression from outside this hemisphere, and to minimize conflict among themselves by consultation when threats of peace arose.

As I stated earlier, there seem to me to be many analogies between our position today in the affairs of the world and the position we occupied in 1823.

Our Nation has never fought a war for territorial gain; but on several occasions we have entered into war for humanitarian reasons, when we believed that to do so was in the interest of the preservation of the freedoms and liberties that our people enjoy in a democracy.

Today, we are confronted in the world with a very serious conflict of ideologies. The conflict is between democracy and totalitarianism, and between communism and capitalism. In fact, it becomes a conflict between governments which believe that a person is a chattel of the state and governments which believe that a person is a sovereign of the state.

As I understand from reading the pending joint resolution, it is a reaffirmation of the United States foreign-aid policy; and by means of the resolution we would extend assistance to other nations, in order that they may become free and strong. This position was advanced in prior acts on the part of Congress, especially in the Security Act of 1954.

By the passage of this joint resolution by the Congress of the United States, we shall demonstrate to the world the united action taken by the executive and legislative branches of our Government in recognizing that the national integrity of other free nations is directly related to our own security. We have taken this position in several previous resolutions and bilateral defense agreements.

As I read the joint resolution, I firmly believe that it seeks the following objectives:

First. To protect the territorial integrity and independence of the Middle East nations by deterring possible attacks upon them by countries controlled by international communism. It thus attempts to effect for the area a degree of stability essential to the solution of its problems by peaceful means;

Second. To bolster the Middle East nations psychologically at this critical period, in order that they may resist communism more effectively;

Third. To assist them, in this emergency and later, in opposing Communist subversion, by strengthening them economically and providing them with the means of achieving internal stability.

Fourth. To reaffirm United States policy that we do not intend to intervene in the affairs of any foreign nation or violate its sovereignty; that we will assist any such nation only by agreement and consent.

Fifth. To reaffirm our interest in the development of the Middle East nations toward freedom, independence, and self-determination as member nations of the world, by promoting their economic growth and stability and thus lessening their weakness to external economic pressures; and

Sixth. To prevent a third world war and to promote in the area the needed peace which will permit the great petroleum and other economic potentials of the area to be used for the benefit of itself and of other nations of the world.

Mr. President, I, together with every other Member of this Congress, am concerned about preserving the inherent rights of the Congress to declare war. As I read the pending resolution, I cannot find that there is in it a delegation of authority in this respect, or that it authorizes the President to declare war. I, for one, would be violently opposed to it if it did.

President Eisenhower has on several occasions expressed his view in regard to a declaration of war, and has said that he feels keenly that only the Congress has the power to declare war.

In his address of January 5, the President stated:

If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask Congress to join me in proclaiming, I would of course, maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

I realize that this statement made by the President on January 5 is not included in the resolution; but so far as I am concerned, it has the same effect as if it were incorporated in the resolution.

I believe President Eisenhower's proposal, which is the basis of the resolution, is in the interest of the national security and the future peace of the United States; and I intend to support the resolution. It is my sincere hope that the joint resolution will speedily be passed by this Congress, for I think time is of the essence.

IF PARTNERSHIP IS BAD FOR THE CENTRAL VALLEY OF CALIFORNIA, IT IS BAD FOR THE COLUMBIA VALLEY OF THE PACIFIC NORTHWEST

Mr. NEUBERGER. Mr. President, on February 19, the distinguished junior Senator from California [Mr. KUCHEL] announced himself as firmly and unalterably opposed to administration plans for a so-called power partnership with Pacific Gas & Electric Co. at the Central Valley project.

I commend Senator KUCHEL for thus opposing the scheme of the Eisenhower administration for surrendering to a private-utility company the hydroelectric-power resources of the Trinity River. I pledge myself to support him in his efforts to protect the natural resources of his State from this kind of selfish exploitation. I endorse his statement that "the Secretary's recommendation for

private-power development at Trinity is fraught with many perils."

Mr. President, if so-called partnership with the private utilities is bad at Trinity, a comparatively small project, it is even worse in the Columbia River Basin where, through the beneficence of a generous Creator, lurks over 40 percent of all the potential waterpower in the United States. Yet in the Columbia Basin, the administration still clings to the discredited partnership program which Senator KUCHEL, a distinguished Republican, has so rightly condemned as being against the public interest and welfare. Only last week, in a discussion with me at a hearing of the Senate Public Works Committee, the Assistant Director of the Budget, Mr. Robert E. Merriam, stated publicly that the administration had not abandoned its partnership plans for the great John Day site on the mighty Columbia.

I invite Senator KUCHEL and his distinguished Republican senior colleague from California [Mr. KNOWLAND] to join with us of the Pacific Northwest in resisting the so-called private-power partnership from fastening its selfish grip on the water-power wealth of the greatest of all American river basins for power generation. Both Senators KNOWLAND and KUCHEL voted in 1956 against the great Hells Canyon project on the Snake River, main tributary of the Columbia.

Now that partnership threatens the Trinity River Basin in their own State, we invite them to join us this time in pushing to passage our bill for the great Federal high dam at Hells Canyon, which is the key to integrated development of the Columbia River Valley, where the bulk of America's treasure trove of waterpower is now concentrated.

Mr. MORSE. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER. Does the junior Senator from Oregon yield to his colleague?

Mr. NEUBERGER. I am happy to yield.

Mr. MORSE. I wish to associate myself with the invitation my colleague has just extended to the two Senators from California to join with us on the Hells Canyon Dam proposal, which will preserve for the American people their full heritage in their own natural resources, and which is aimed at bringing to a halt the Eisenhower administration's giveaway of the natural resources in the Hells Canyon Dam reach of the Snake River for the privateering by private utilities.

My colleague has mentioned the issue with respect to partnership in the case of the Trinity project. I am very glad he did.

On last Friday I spoke to the Commonwealth Club of California, in San Francisco; and I made clear to that club that I would do my utmost to prevent giving away again to the Pacific Gas & Electric Co. the people's rights to the profits from multiple-purpose dams, such as the Trinity Dam.

Mr. President, I ask unanimous consent to have that speech printed in the RECORD following our remarks on the subject matter, if the Senator does not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, in my speech before the Commonwealth Club I made it very clear, in my judgment, that the people of California are not entitled to have the taxpayers of the United States pay the check for all the nonreimbursable costs of the Trinity project and then have the private utilities pick up the profits. That is not my idea of partnership. I taught a course in partnership for some time. Of course, the elementary principle of partnership is that, unless the partners themselves contract to the contrary, they jointly share any profits of the enterprise. But that is not the Eisenhower administration concept of partnership. Its concept is that the taxpayers shall pay the cost and the big business interests that support the administration take the profits. Well, Mr. President, that is not going to be done by my vote in the Senate, and it is not going to be done by my sleeping on my parliamentary rights.

I have this much further to say on the Trinity partnership. I found while in California that there is a terrific propaganda drive on in California not only to use the partnership formula for the Trinity project, but also to emasculate the Federal reclamation law in connection with the 160-acre limitation provision. If that is going to be the program of the administration, it will have a fight on its hands.

I said yesterday, and I repeat today, we need to have an investigation of the newly announced, but still rather vague, policies of the Secretary of the Interior, Mr. Seaton, not only in regard to the Trinity project but in regard to the Pleasant Valley project and other projects on which he has been sending out trial balloons.

With respect to Trinity, the statement of the junior Senator from California [Mr. KUCHEL] does not surprise me much, because when he offered the Trinity bill, I engaged him in a colloquy. The junior Senator from California at that time, in answer to my questions, made it perfectly clear that the request for an authorization for Trinity was not based upon any partnership proposal. Therefore, I am very pleased to have the statement, or the public announcement, from the junior Senator from California, and I think he is entitled to great credit, particularly in view of what I know to be a terrific drive underway in California, with the assistance of the new Secretary of the Interior, who is beginning to give evidence that he is for a giveaway program as much as was his predecessor, despite the fact that the people of the Northwest on November 6 gave a very clear answer to such suggestions. I want to say to the Eisenhower administration they are going to get that same answer in 1958, and in 1960, too, if they continue to give to the private utilities the advantages of partnership under a giveaway program.

I commend the junior Senator from Oregon as Mr. Conservationist of the Senate for raising his voice again in

opposition to the administration's giveaway program in the field of public power development under the guise of a partnership arrangement, in which the partners do not share equally, but in which the taxpayers pay the costs and the private utilities pick up the profits.

Mr. NEUBERGER. I thank my distinguished senior colleague for his very pertinent observations. I have already had the privilege of including in the CONGRESSIONAL RECORD one of the effective speeches which he delivered last week in the State of California. I know he and I share the hope that the distinguished junior Senator from California [Mr. KUCHEL], now that he has seen the evil impact of the partnership program on his own State, will join us in the Pacific Northwest in an effort to keep partnership from being fastened for at least half a century on our resources.

EXHIBIT 1

WATER AND AMERICA'S FUTURE

(Address by HON. WAYNE MORSE, of Oregon, before Commonwealth Club, San Francisco, Calif., February 15, 1957)

I was very happy to accept the invitation of the Commonwealth Club despite the radical sound of its name. I have it on good authority that the proper pronunciation calls for accenting the last syllable.

If the eminent British consul is here, let me assure him publicly that as an American and a Democrat I come in peace—and sympathy for the problems our two democratic countries face together.

In all seriousness, the Commonwealth Club is to be congratulated for maintaining the democratic institution of an open forum for the discussion of great public issues and the presentation of differing points of view. Open forums and open minds are indispensable to a free society. A complex world requires the friction of vigorous, unfettered debate if solutions are to be found for great public problems.

So, I propose to discuss today a problem that is critical throughout America and is reaching really serious proportions in California today—water.

WATER: THE INDISPENSABLE ELEMENT

Over 2,500 years ago the Greeks believed that there were four elements—earth, air, fire, and water and that all other things were combinations of these. While their chemistry was faulty, the emphasis of the Greeks was eminently correct.

Without water human and plant life is impossible. Lack of adequate water has doomed whole areas that once flourished.

In the strife-torn Middle East, for example, there was four times the amount of land under cultivation in Roman times as there is today.

Nowhere is the dramatic role of water more evident, nor its need more crucial, than in the great valleys of California.

It is within man's power to waste water or use it to the full. The most fearful waste is that which permits the destruction of sources of water by failure to protect watersheds and the irresponsible pollution of our God-given streams.

Population growth and concentration, new industrial uses, and the proven benefits and necessity of irrigated farming have created vast new requirements for water. For example, at the Hanford Atomic Energy Commission Works, where a prodigious amount of the flow of Columbia River is diverted to provide the plant's cooling system. A soft-drink bottling plant uses thousands of gallons in very short periods. One shower bath can use up 6 to 14 gallons of hot water alone, depending on your habits.

In an average industrial community the per capita use of water runs between 100 to 200 gallons a day. A single fire hose has a minimum requirement of 250 gallons a minute.

There is little need to dwell on this point in water-conscious California. Other areas are acutely sensitive to the growing need for water. So, for example, suburban Westchester in New York now uses 77 million gallons of water a day, compared with 47 million gallons in 1943. The Great Plains drought is a national tragedy. In Texas alone 244 counties out of a total of 254 counties have been declared drought-disaster areas.

At the same time, floods are an imminent threat to cities, towns, and bottomlands throughout the Nation. New England, California, and Oregon suffered vast floods within the past 2 years. Kentucky and Tennessee are just coming out from under high water.

TVA'S SUCCESSFUL FLOOD FIGHT

TVA has once again proven its inestimable worth during the past few weeks. In this most recent flood, this great comprehensive, integrated basin system prevented flood damage, which, at a conservative official estimate, was about 65 million at Chattanooga alone. TVA already has resulted in prevention of property damage equal to more than half the amount allocated to flood control for the entire system. Last year the Columbia River dams, and particularly the great water-storage Grand Coulee Dam, helped avert great flood damage.

These recent experiences prove the wisdom of Theodore Roosevelt's and Gifford Pinchot's conservation program. They foresaw that natural-resource development requires a basin approach.

The main cause of water feast and famine is deforestation. Without adequate upland forest cover, water flow is irregular. By turns the runoff is too great or too little where great forests do not catch and hold water for gradual flow.

A balanced basin system also requires man-made storage to control water flow for flood control, manageable power output, irrigation, industrial and domestic use.

POWER: THE KEY TO WATER CONTROL

These great basin undertakings are not economically possible without power revenues. The electric power generated at multipurpose dams is vitally needed itself for farm, factory, and home. Unless its development is integrated with water storage for multiple use, all elements of development are retarded. As we progress with pollution control, it will probably be found that power has a major part to play in achieving it as well.

RECOGNITION OF PROBLEM THE FIRST STEP

It is urgent that the dimensions of our water problem be recognized for it takes years and decades to achieve the means of adequate multipurpose water development.

As population grows and technology becomes ever more complex we will find, I predict, that the adequacy of water systems will be the ultimate limitation upon our capacity to grow.

Once this factor is taken to heart, we can move forward to meet the challenge of the future.

FAIR SHARING REQUIRED

At the heart of Theodore Roosevelt's resource and reclamation philosophy was the sound and simple principle that it is the people of the Nation who own its natural resources. It followed that its development and benefits should be widely and equitably shared.

The great trust-buster also gave to this country a crystallization of the philosophy that monopoly is a prodigious threat to a free economy and free institutions.

So, when the great reclamation acts of his administration were enacted, the require-

ment was included that no beneficiary of a Federal reclamation project could obtain more than reasonable share of water from that project. An individual's right to own land was not infringed. But his right to obtain water from a public project, financed by public funds, was limited.

This 160-acre limitation is rooted in the history of the West. It is a requirement of elementary fairness.

Events in California in the past few weeks underscore the importance of this provision. I feel the California Supreme Court's *Ivanhoe* decision, which in effect sets aside the Federal reclamation law, was most unfortunate. I do not mean to comment on a matter of State concern. It is far more than that. A basic and vital Federal policy is involved. As a United States Senator I have an obligation to speak my deeply held views about this Federal policy.

The decision can result in some good. For it dramatizes a basic issue which must be resolved before adequate progress can be made in water-resource development.

Recognizing the vital role of river basin development on a comprehensive basis—for power, flood control, irrigation, navigation, and recreation—we must decide our future course.

On great interstate streams like the Columbia and Missouri it is clear that the Federal Government has a responsibility and alone can provide the unifying factor. This doesn't mean doing the whole job—but it does mean the main job of executing adequate plans and coordination. This means, as in TVA and the Columbia River System, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not affect the basic system.

Where a State cannot undertake a comprehensive plan for full development of a navigable stream of system within its borders, the Federal Government has a major role as well.

But, it is not fair or right to expect that the Federal Government should bear the burden of nonreimbursable costs for flood control, for example, and surrender, give away, the power facilities or the antimonopoly irrigation policy of Federal law.

The Trinity project is one example. I opposed partnership at Trinity and the project would not have been authorized in 1955 if partnership had been included. That is a simple statement of the facts.

Now California is considering the great multipurpose Feather River project as a State undertaking—but only partially so.

It is proposed that the State would finance part of the project without including the traditional and indispensable public-agency preference clause for power for the excess lands provisions for irrigation.

Yet it is seriously proposed that the Federal Government will authorize a blank check to pay for flood control with the Corps of Engineers to negotiate the amount. The blank check aspects are bad enough.

But, is it right or fair to ask that the Federal Treasury use taxpayer's money to help finance a multipurpose project and at the same time fail to include these two basic Federal policies? This is asking too much. Such over-reaching can defeat the whole proposal.

One Senator, at least, stands here who will oppose such a giveaway of funds and policy.

RESOLUTION OF POLICY DISPUTE PREREQUISITE TO PROGRESS

Before real progress can be made on comprehensive basin development for power, irrigation, flood control and the rest, there must be a resolution of the basic questions of policy on how we shall proceed. Extended controversy can only delay the undertaking of badly needed projects.

That has happened in my State and region. The voters of Oregon, Washington, Idaho, and

Montana have rejected the administration's phoney partnership. Yet the administration seems determined to insist upon partnership, after even its congressional adherents have been defeated or rejected the method.

Congress will make good on some of the projects—as at John Day on the Columbia River. Yet, the close division of parties in Congress makes real progress impossible unless the dispute is settled and a real majority can pull together in one direction.

If the Republican administration will not see this fact, the voters will do it for them in 1958 and 1960—as they have done in the past two elections. I say this not in partisanship but in an appeal to Republicans who traditionally have supported the policies of Theodore Roosevelt, Hiram Johnson, Borah, McNary, and Norris—and Franklin D. Roosevelt as well—to get the administration back on the track.

It is necessary to achieve speedy relief from the uncertainty brought on by the *Ivanhoe* decisions. I pledge my best efforts to that end. But, I enjoin the people and officials of California to not seek the benefits of Federal policies of long standing without being prepared to abide by the rules of equity which are embedded in the traditional Federal policies.

This is a national problem which requires foresight and leadership. It also calls for firm adherence to the historical policies of multipurpose development and fair distribution of benefits under which the West has prospered in the past.

We will make progress on comprehensive development when there is adequate recognition of the public interest, and protection is given it without evasion or equivocation.

PERIL LURKING IN RADIOACTIVE SUBSTANCES

Mr. NEUBERGER. Mr. President, repeated warnings from eminent scientists about the peril lurking in radioactive substances point up the need for coordination and consolidation of work in creating processes for effective disposal of atomic waste material. It is generally acknowledged that our information in this field is now only at the frontier-outpost point.

One of the principal objectives of the bill which I introduced last week for creation of a National Radiation Health Institute was to cope with this problem—to establish a governmental agency which can pull together the threads of research in disposal of atomic waste. Many aspects of problems connected with elimination of radiation hazards are discussed in an article in the *Wall Street Journal* of February 19, 1957. It reveals the scope of work which must be accomplished before human existence is safeguarded against rampant atomic particles. I ask consent to include the article in the body of the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENTISTS SPUR HUNT FOR WAYS TO DISPOSE OF NUCLEAR WASTES—OFFICIALS STUDY SALT DOMES, OIL WELLS, CAVES, AND THE OCEAN AS BURIAL PLACES

(By John A. Grimes)

WASHINGTON.—Congress' atomic specialists are about to join administration experts in a hunt for the world's biggest, strongest ashen.

This receptacle will have to keep millions of tons of dangerous nuclear waste out of

circulation for centuries. The hunt is produced by keen awareness of a harsh fact: Each particle of ash produced by burning atomic fuel is an arsenal of lethal rays which, in time, could wreck the world's population if not jailed and guarded.

The waste-disposal problem, Atomic Energy Commission officials say, will become prodigious as more and more atomic furnaces come into use to generate power and do other industrial jobs. These experts term it one of the major challenges to the industry.

A MAJOR FACTOR

A special team of AEC experts cautions that the future of atomic electricity may depend on a solution. It says: "Disposal of reactor and fuel wastes will be one of the major controlling factors in determining the extent of the use of power reactors."

Representative DURHAM, the North Carolina Democrat who chairs the Joint Congressional Atomic Energy Committee, agrees. But he's not pessimistic: "Look at the problems we've had in the atomic-energy field and solved already." As Mr. DURHAM sees it, the job is to find a practical solution cheap enough not to burden industry when it takes over waste disposal from the Government some years hence.

Today Mr. DURHAM's committee will open public hearings on a variety of urgent nuclear topics, including atomic waste. The group also will tackle such hot issues as whether Government construction of large-scale reactors is necessary, and what Government insurance is needed to protect reactor builders and operators in case of accidents.

But Mr. DURHAM believes the important waste disposal problem got short shrift last year in election-year scrapping between the AEC and some committee members over speeding up the atomic-electricity program. He intends to take a hard close look at what the Commission is doing in the disposal field.

"UNDER THE RUG"

Though atomic ashes are being taken care of adequately now, "we're merely sweeping the real problem under the rug," admits A. E. Gorman, Chief of the Sanitary Engineering Branch of the Commission's Division of Reactor Development.

Liquid wastes resulting from chemical reprocessing of spent reactor fuel present the major disposal problem. At Commission installations in Arco, Idaho; Hanford, Wash.; Savannah River, S. C.; and Oak Ridge, Tenn., some less dangerous wastes are buried in plain holes in the ground or in concrete-lined pits; this allows the radioactivity to "decay" or to filter through the soil. Other wastes are packaged, shipped out to sea and dumped. The deadlier material for the most part is put away in underground steel tanks.

But of this last method Mr. Gorman remarks: "We're only buying time. The radioactivity of the hottest waste," he adds, "is sure to outlive the steel tanks." Joseph Lieberman, AEC sanitary engineer, warns that burial places for even less deadly wastes are limited. He notes: "This problem is most pressing in the Northeastern United States where the only disposal sites are at Oak Ridge and in the ocean."

But AEC experts are confident the disposal problem can be solved in time to head off any slowdown in arrival of economically nuclear power. Says one: "We've got some good prospects of final solution under study."

As a prime possibility for getting rid of dangerous liquid wastes, Commission officials are doing research on pumping them into abandoned oil wells, underground salt domes, or other basins 5,000 to 15,000 feet below the surface, where the materials presumably could not contaminate drinking water or other natural resources. A special committee of the National Research Council has handed the AEC a report on this proposal that "looks encouraging," one official says.

This expert adds, however, that researchers must thoroughly explore whether this lethal material might work to the surface, despite its depth. "We need to know just what will happen to this stuff when we put it underground," he says. "Heat from the concentrated waste might spawn a radioactive geyser," the official adds.

A disposal method that looks practical and economical, according to AEC experts, is to lock the most dangerous wastes in a special clay called montmorillonite. The clay is shaped into spaghetti-like strings which soak up the hottest radioactive materials. The "spaghetti" then can be baked hard to seal in the radioactivity. The finished product can be buried in underground caves with no danger that water might unleash the radioactivity. A pilot plant using this method has been operated successfully at Brookhaven National Laboratory on New York's Long Island.

Researchers at the John Hopkins University laboratory in Baltimore are working on a somewhat similar idea: Fixing dangerous wastes in hard, synthetic crystalline minerals for burial.

A possible partial answer to the disposal puzzle may be to strip from highly radioactive waste its two most dangerous isotopes, or variations or elements, and use them as radiation sources for medicine and industry. This deadly pair is known as strontium 90 and cesium 137. Both can be used to provide radiation for X-ray photography or metals, for thickness gauges and the like. Cesium can help treat cancer and other ailments. The AEC claims the cost of this "dehorning" could be paid in part by sale of the isotopes. Without cesium and strontium, the wastes would be "a hundred times less hazardous" and possibly could be disposed of in the air, ground, and water, the AEC declares.

But the isotopes themselves, even after they lose their kick for industrial and medical uses, still must be put under guard.

Oak Ridge National Laboratory, which is working on stripping cesium and strontium from liquid wastes, also is developing a method of putting highly radioactive wastes, slurred with earthen materials, in a lined pit. The heat of radioactive decay forms the materials into masses without actually melting them—a process called sintering. But this leaves unsolved the problems of where and how to dispose of the masses and of controlling radioactive vapors leaving the sintering mass.

Already providing an ash can for token amounts of less deadly wastes, the ocean is being studied as a possible burial place for more lethal leftovers. A special committee of the National Academy of Sciences declared: "The only place on earth where disposal can be considered practical is the ocean."

There are sea-bottom hideaways, the committee says, where waste could be confined for centuries. In the deepest parts of the Black Sea, the "flushing time"—the period it takes for most of the deep water to move near the surface and be replaced by other water moving downward—is estimated at 2,500 years. The committee reckons it's "fairly certain" that substantial amounts of long-lived radioactive materials dumped in containers on the ocean bottom would stay isolated for more than 100 years and would become safely diluted.

Research work on ocean movements now is being done for the AEC by several United States institutions, including the Lamont Geological Observatory at Columbia University. As part of the International Geophysical Year starting next July 1, scientists of several other nations will cooperate to acquire data on the age and movement of the deepest waters.

The National Academy of Sciences panel says much more must be known about deep water ocean movements before the most

dangerous wastes can be dumped in the ocean. Mr. Gorman notes that the really deep spots where water will stay "stagnant" longest are limited. "This stuff will be around for centuries," he declares. "It might get out of control." If the material should escape from the deep holes, experts warn, it might be absorbed by fish, and if the fish should be eaten by humans, radiation would reach the vital organs even faster than by external exposure.

"We've even had the suggestion that we fly the stuff up to Greenland and dump it in the ice," Mr. Gorman says. But he adds that the idea has many drawbacks, "including the fact that we don't own Greenland."

Another AEC spokesman takes note of a suggestion that the waste be shot into space with this dry comment: "We're looking for a solution that is both feasible and economical."

As early as 1965, according to the National Academy of Sciences' special committee, spent fuel from the growing number of power reactors will yield more than 20 pounds of radioactive waste every day.

Mr. Lieberman figures highly radioactive wastes may amount to from 0.1 gallon to 5 gallons for every gram of uranium processed—a gram is less than 4 percent of an ounce. Some reactors take tons of uranium fuel.

"When one considers the generally extreme low maximum permissible concentrations of radioactivity in air and water, it becomes apparent there is not enough dilution available in nature to enable any practical, continuing dispersal of these wastes into the environment," he declares.

The pile of dangerous wastes is bound to multiply because there'll be no subtractions from it for a long time to come. For hundreds of years both of the most dangerous isotopes, strontium 90 and cesium 137, will give off many times more radiation than humans can safely stand.

As for the potential price of disposal, present costs may offer a clue. Underground burial of less dangerous wastes costs up to \$2 a cubic foot, the AEC estimates. The cost of stowing similar materials in an underwater grave is calculated as high as \$10 a cubic foot. Storage of the more potent liquid leftovers in the concrete-lined tanks runs up to \$2 a gallon, or about \$15 a cubic foot.

Cost, AEC officials say, is one overriding consideration affecting the final answer to the disposal problem. The cost of disposal is directly related to the cost of producing atomic electricity. Even a tiny variation in that figure, the experts note, can mean the difference between competitive and non-competitive nuclear power.

At present, waste disposal is the AEC's problem. Since 1950, Mr. Gorman estimates, the Commission has spent at least \$1 million a year for the sanitary engineering end of it. Counting related studies in the processing field, the cost might run two to three times higher.

However, it's clear that the AEC is looking for industry to lend a hand in running down an answer. Mr. Gorman declares the Government will help business with disposal problems resulting from the first generation of nuclear reactors now being planned or built. But he indicates that industry will be expected to play a large part in cracking the problem thereafter.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle

East in order to assist in the strengthening and defense of their independence.

COMMENTS ON SENATOR KNOWLAND'S ADDRESS
RELATING TO THE UNITED NATIONS

Mr. NEUBERGER. Mr. President, it is with trepidation that I rise to make the comparatively brief speech I am about to deliver. I have waited some 9 days for a Senator with greater qualifications on this subject to make such a speech. In the absence of such an address, I have decided to present these remarks myself.

Before commencing them, I should like to say I addressed a letter to the Senator whom I am answering, so he would be apprised in advance of the speech I am about to make. I regret that important other duties undoubtedly have kept him from being present.

On February 11, the distinguished senior Senator from California [Mr. KNOWLAND] delivered an address at Georgetown University on the subject "The United States and the United Nations." This address has been recognized as an important speech, not only because the Senator from California is the leader of the Republican minority in the Senate, as well as serving on the Senate Committee on Foreign Relations, but also because he once again expressed certain criticisms and misgivings about the United Nations which are shared by a substantial number of people. These misgivings are reinforced by support from so influential a source. Moreover, the Senator from California is currently himself a delegate of the United States to the United Nations.

I do not have nearly the same length of experience as the Senator from California has, or the privilege of service on the Committee on Foreign Relations. I have been hesitant, as a relatively junior Senator, to undertake the defense of the U. N., but I know that in the days since the Senator from California made his speech, the energies of many more experienced Senators have been concentrated on the President's plans for the Middle East. However, because I know that many thoughtful men and women in my own State are deeply interested in the United Nations and would be troubled by the Senator's criticisms, I have been concerned that they should not go totally undiscussed merely because our attention is presently diverted to the more immediate debate over the Middle Eastern crisis. My comments on the minority leader's speech of February 11 will not take up each of his detailed criticisms but will deal only with the key points of his attack, an attack designed to shake the faith of the American people in the value of the United Nations and to propose its destruction in its present form.

U. N. VETO ESSENTIAL FOR WORLD ORGANIZATION

The key of the Senator's attack was on the veto power of the permanent members of the Security Council, which has been used primarily by the Soviet Union to prevent United Nations decisions contrary to its own avowed self-interest. The key to his proposals is the expulsion, or the forced withdrawal, of the Soviet Union from the United Nations, so that the U. N. could be turned into an anti-

Communist collective-security organization.

Mr. President, in my opinion, this superficially simple and politically attractive scheme would hold great danger to the United States and to the world. It would destroy the present valuable functions of the United Nations which even the Senator from California recognized in his speech. Yet it would not bring us the goal of a more effective collective-security organization of the remaining members of the United Nations.

First, as to the veto. The so-called veto of proposed security actions granted the biggest powers was an essential aspect of the United Nations Charter when its structure was first developed at Dumbarton Oaks and earlier—and it is today. President Roosevelt and President Truman would never have contemplated a veto-free charter, and any such proposal would rightly have been rejected by the Senate. The Senator from California would have been the first to attack it, in my opinion.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield.

Mr. MORSE. For the record, I may say I can remember, as clearly as though it were yesterday, and the CONGRESSIONAL RECORD will show, the colloquy which took place on the floor of the Senate on the San Francisco charter debate when the great Arthur Vandenberg was floor leader.

As the record will show, we discussed with him the veto question. Some of us raised a serious question then as to the wisdom of giving the right of veto to members of the Security Council.

Senator Vandenberg made it very clear to us that the delegates at San Francisco were satisfied that there would not have been Russian acceptance of the charter without the veto provision being in it. Then he made it crystal clear that there never would have been any acceptance by the American delegation without the veto provision in it. I think it is well that my colleague is bringing out, in this speech today, the indisputable fact that the veto was placed in the charter at the insistence of Russia and the United States at the time, and also at the insistence of delegations from other countries, I believe, although there was some opposition at San Francisco to the veto provision.

It is easy, though hindsight, to see the mistake which was made, with respect to which some of us had a fear at the very time. That is why we raised the question on the floor of the Senate in debate.

I wish to be the first to say that, after listening to the presentation by Senator Vandenberg, I acceded to the program. We were then still, of course, living in the hope that some of the pious pronouncements by Russia at the time could be relied upon, and that the veto would be used only in extraordinary situations, instead of becoming the rule which Russia almost invariably follows. When we seek to do something in the United Nations aimed at advancing the cause of freedom around the world, she vetoes it. She has a sorry record, time and time again, of following a course of action

which increases the possibility of war in the world.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. KEFAUVER. I was not a Member of the Senate at the time the United Nations Charter was approved. At that time I was a Member of the House. However, I was very much interested in the subject. I listened to many of the debates, and read most of the others.

Some opposition was expressed to the provision in the charter whereby the veto power could be exercised by one nation. Personally I was very sorry the charter had been written that way. I remember very distinctly that three Members of the Senate voted against the ratification of the United Nations Charter. Quite a number of Members, particularly on the Republican side of the aisle, expressed gratification that there was the veto power, and indicated that they would not have voted for ratification had the veto power not been included.

So the statement of the senior Senator from Oregon [Mr. MORSE] is quite clear as to the attitude of many Members of the Senate at that time, particularly Republican Members.

Mr. NEUBERGER. Mr. President, I am grateful to both the senior Senator from Oregon and the senior Senator from Tennessee, who have made available to the Senate their greater experience than mine in this field. I realize that the senior Senator from Oregon was a Member of the Senate at the time the United Nations Charter was adopted. The senior Senator from Tennessee was then a Member of the House of Representatives.

It is extremely useful, in my opinion, for them to emphasize and underscore the fact that most people in the United States, and many Members of Congress, would not have tolerated a United Nations organization without the veto. They feared—and I think rightly so—an organization in which decisions could have been made which would have involved the commitment of American soldiers or other American action without the consent of the United States Government.

I wonder if the Senator from California [Mr. KNOWLAND] would support today—if only Russia were removed—a veto-free Security Council in which the United States could be bound by majority vote, lacking our right of veto, to take collective security actions without our own consent? Would he really suggest that the veto power would be unnecessary in the U. N. if only the Soviet Union were not a member? Or is it his position that the veto power in the Security Council is all right for those nations which need not use it, but it is bad when it is used consistently in the self-interest of a government which finds itself in a minority of one? In my view, Mr. President, nothing has demonstrated the isolation of the Soviet communism in world opinion more clearly than the repeated recourse of Soviet delegates to the veto to block otherwise unanimous U. N. proposals.

The widespread preoccupation with the veto among critics of the United Nations results from a false emphasis on the supposed significance of voting in the U. N., rather than on the actions of U. N. members. When these two are confused, neither the United Nations nor the cause of American foreign policy is advanced. It is not the veto of the U. S. S. R. in the Security Council which prevents effective international action against Russia's selfish interests, but rather the facts of Russia's size and power and aggressive Soviet determination, in the face of Western disunity and the failure of joint leadership of the free world.

REPUBLICAN LEADER'S PLAN WOULD DESTROY U. N.

Thus there could be no gain and much loss in the proposal of the Republican Senate leader to cut the Gordian knot of the veto by forcing the withdrawal from the U. N. of its chief user, the Soviet Union. Were this done, it would not change geography, or the relative military power of different nations, or their underlying economic strength and weaknesses and interests. Suppose Russia and its satellites withdrew from the U. N. or were expelled. Could we therefore expect greater cohesion or support for anti-Soviet policies from the remaining members? Rather, we should expect the very opposite. Before accepting the commands of the single-mindedly anti-Russian sort of organization which the Republican leader contemplates, scores of other members might also withdraw, including some of the most populous nations of Asia and probably several European democracies. The United Nations would disintegrate. For how would the reasons which persuade these governments to refrain from anti-Soviet alliances have been changed by Soviet withdrawal from the U. N.? Russia would still exist, in the same place, as large and powerful as before. Some of the most truly democratic and liberty-loving members of the United Nations are countries near the frontiers of Russia—gallant Finland, progressive Sweden, newly freed Austria. Could they remain in a United Nations without the U. S. S. R., a United Nations which then the Senator from California hopes would take anti-Soviet action? We in the United States are many thousands of miles from the storehouses of Red army artillery and atomic missiles—yet even we know ourselves to be endangered. The friends of ours whom I have enumerated, and others, are within virtual 20-20 vision of Soviet arsenals. How can the Senator from California expect them to accept the kind of United Nations which he plans—or does he contemplate, eventually, the same kind of a go-it-alone policy for the United States which his predecessors on the Republican side of the aisle assured when they tragically wrecked President Woodrow Wilson's League a generation ago?

LEAGUE OF NATIONS WAS DESTROYED BY ABSENT POWERS

When leaders of Senator KNOWLAND's party attacked the League of Nations and prevented American participation in it, they thought that by remaining outside the world organization, we could escape

from the world and from the consequences of our own growth to world power. Now the Senator from California attacks the League's successor—although it imposes on us less obligation than the League Covenant would have—and he asks us to eject from it our potential antagonists so as to escape from the consequences of their growth to world power. He has evidently learned little from our experience with the League. For Germany was a member of the League of Nations from 1926 to 1933, and left the League when Hitler took over and started plotting his course of aggression. Soviet Russia joined the League in 1934 in an effort to gain protection against the Nazis, and was expelled in 1939. By 1939, perhaps the Western European democracies could have got the League of Nations to adopt any resolutions they liked—but the League no longer resembled the real world. In the face of the actions of three powerful non-members—the infamous and cynical pact between Nazi Germany and Soviet Russia, plus American isolationism—the League of Nations system of collective security collapsed in the face of aggression. The world went up in flames—and we found that we had not escaped, after all.

Mr. President, a good many of the criticisms of the United Nations voiced by the Senator from California are undoubtedly valid, if they are directed to the United Nations as an agency of collective security. He is unquestionably right when he regrets that its friends oversold this view of it to the people of the United States. The United Nations was never designed to be a worldwide collective-security organization against any of the few large states so powerful that they could effectively mount a world war against the remainder of the organization. Such a notion would actually be self-contradictory, and the veto power given such large nations merely recognized that fact. The United Nations cannot be both a world organization and an anti-Soviet alliance, any more than an anti-American alliance or anti-British alliance. When we are disappointed at failures of justice or morality in international relations—as many of us have recently been disappointed in the contrast between the course of events in the Suez dispute and in the Russian oppression of Hungary—the failures are not those of the organization, but of the world which it only too faithfully reflects.

Yet in concentrating on his disappointment with these facts, the Republican leader virtually ignores that there is another side of the coin. He gives only the briefest mention to the fact that the United Nations has provided the sole forum on earth which presumes that potential belligerents will talk to each other rather than drop atomic bombs on one another's cities. Surely this alone justifies our continued support for the United Nations—unless there are those who think it would be better to stop talking and plunge into atomic war. The Republican leader's one-sided attacks on the weaknesses of the United Nations lead one to wonder why he is so intent on weakening the faith of the people of

America in the one international forum where debate may possibly forestall fighting.

SENATE, ALSO, HAS DISPROPORTIONATE REPRESENTATION

In attacking the distribution of votes and of financial burdens in the U. N., the distinguished Senator from California quoted with evident approval the criticism of the United Nations voiced by Lord Cherwell of England because "the population of the biggest is more than 1,000 times greater than that of the smallest."

Mr. President, if this is an indictment of the United Nations—as apparently the Senator from California and Lord Cherwell intend it to be—then it is virtually equally an indictment of the United States Senate.

Here in this Chamber 10 States which pay almost 73 percent of all Federal taxes are represented by a total of 20 Senators. Yet 38 States, which pay only 27 percent of Federal taxes, are represented by a total of 76 Senators. What does the Senator from California think of that discrepancy, if he supports Lord Cherwell's criticism of the United Nations because of the disproportionate size of the countries there represented?

Furthermore, the State of New York has approximately 65 times the population of the State of Nevada, yet each has the identical number of Senators in this body. Is the Senator from California thinking of indicting the Senate and its effectiveness on that basis? I hope not.

In addition, Mr. President, the United Nations has only the power to recommend, while we in this Senate have the power to enact laws which are binding upon 170 million men, women, and children. If disproportionate membership is bad for the United Nations, why does the Senator from California tolerate it—nay, actively support it—in the Senate of the United States?

Mr. President, as the common meeting ground of 80 nations, the U. N. has the instinctive confidence of hundreds of millions of people throughout the world. They look to its meetings in New York with the hope that there the whole world will at least try to seek solutions to the problems which concern them most, problems which are different for each individual nation and which do not in every instance happen to include security from Soviet aggression. The prestige of the U. N. depends upon its inclusiveness and its accessibility to opposing points of view. We can and should make the democratic viewpoint prevail in the U. N. by virtue of leadership, not by expulsion of antidemocratic members.

UNITY AND LEADERSHIP BY FREE DEMOCRACIES NEEDED IN U. N.

I repeat, votes in the United Nations do not substitute for the actions of its members in assuring international peace and security. The Republican Senate leader is quite right that too often, recently, the Eisenhower administration has yielded to the temptation of presenting the U. N. as such a substitute for an effective American policy. When this course fails, it is not the organization's

failure—it is ours and that of other member countries.

The United Nations can be an effective force for liberty and democracy in the world when the free democracies join together in offering it firm leadership in support of those values. When we fail to maintain the unity of the free democracies, when we permit the West to appear divided and at cross-purposes, we can expect no successful collective action for liberty and democracy from the United Nations.

Thus I have often spoken of the importance of further developing the Atlantic Community.

We may rightly ask the United Nations to endorse actions which we are prepared to take ourselves in support of the principles of the charter. We cannot ask it to take such action instead of us. Let us always remember that the United Nations is not a court nor a parliament. It cannot act except by the action of its members. Yet when its chief members ask it to support their actions in the cause of international peace or security or justice, its endorsement, as the voice of the international community, can lend unparalleled prestige and righteousness to their cause. This, Mr. President, is a value for which the United Nations is well worth preserving; and that is why I believe that the Senator from California should have directed his criticism at the lack of leadership of the present administration rather than at the institution of the United Nations. For the latter he has offered no substitute besides anarchy and mutual isolation.

Mr. President, neither we nor many of the other nations of the world have yet fully learned, after only a dozen years, how to make responsible and consistent use of the institutions of the United Nations in relation to our respective national policies. The recent crises highlight these inadequacies. But I do not agree that we should write off a great international organization because of them. Long after the crises have passed I want there to remain a United Nations organization in continued existence. If the faith of Americans in the U. N. is destroyed by attacks such as those of the Republican Senate leader, then the United Nations may disappear as an effective potential instrument for world peace and for closer international cooperation in many fields.

A Senate may fail the public interest, a court may render a decision we detest, a United Nations may prove unable to solve a world crisis between powerful antagonists, but we do not propose their destruction as human institutions. A United Nations as contemplated by the Senator from California will not be a United Nations at all. He would destroy it in an effort to turn it into an armed camp, confronting another camp equally armed with the deadliest weapons in all history. I believe Americans want a United Nations in which we can talk with our possible foes—and in which we and they can present our respective cases to the world, and the world its problems to us.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to my colleague.

Mr. MORSE. Mr. President, I wish to commend my colleague for the speech he has just made. It is very important that we start to make the record here in the Senate in reaffirming our support of the United Nations. I am very much concerned by what is happening across the country as the result of the propaganda which seems to be abroad in the land about the so-called ineffectiveness of the United Nations.

I especially point out to my colleague, in support of his speech, that one of the reasons the United Nations is not so effective as we would wish it to be is, as my colleague points out in his speech, the failure on the part of the leadership of this administration to do those things which would strengthen the United Nations by constantly going around the United Nations and constantly circumventing the United Nations.

The record of this administration has been to go around the United Nations time and time again instead of first going through it. We ought to be carrying the fight to Russia within the United Nations by one resolution after another, to show very clearly that we are willing to submit to the procedures of the United Nations for the settlement of disputes.

We ought to be urging the use of U. N. procedures to settle international disputes but, time and again, we allow Russia to succeed in her propaganda without introducing a resolution with respect to the subject. If we did so, we would show Russia up for what she is—a designing nation intent upon dividing and ruling the free nations of the world. We have only to look at the mess the administration has created in the Middle East for proof of my statement.

We are now hearing talk in America about applying sanctions against one of the weakest nations in the United Nations and the only truly free nation in the Middle East. I think the time has come to take the debate to the President on this matter, and carry it across the Nation. I understand the President will make an appeal to the people tonight in regard to the sanctions issue. I think he should be met on that issue, because where have there been any proposals before the United Nations for the exercise of sanctions against Russia, when Russia has been violating the spirit, the intent, and the letter of the United Nations Charter? We now see the only free nation in the Middle East struggling for its survival, and what does the President want to do? Apparently, to accept the deceptive language of the Secretary of State in regard to Israel.

I wish to say to the President of the United States, "Come forward, then, and give us a concrete proposal as to what you intend to do to protect the survival of Israel. What arrangement did you make with the King of Saudi Arabia? Are you ready to tell the American people, or are you going to continue to keep it in the dark?"

I think the time has come to tell the American people what, if any, deal the President made with one of the out-

standing totalitarians of the world today, that absolute monarch of Saudi Arabia who has said he is willing to sacrifice the lives of millions of Arabs to wipe Israel off the map.

It is a little late to be telling Israel to follow a course of action that once again will throw her open to the danger of Arab attacks. There is no guaranty that she is to have the use of the Straits of Tiran. There is no guaranty that her ships are to be able to move in international trade. The time has come for the President not to speak in general language. I would say to the President of the United States, "Mr. President, what do you propose to do to protect the freedom of the only free nation in the Middle East?"

Here again, we ought to be going through the United Nations and be calling upon the free nations within the United Nations Organization to make it clear that we do not intend to stand by and permit the only free nation in the Middle East to run the danger of not even surviving, while the President and the Secretary of State talk about sanctions against the weak little nation we know as Israel, but which, nevertheless, is a nation which has been willing to bleed for freedom in the Middle East while the United States has followed a course of action which for months has weakened the position of Israel in that area.

When I offered an amendment and sought to get from the Secretary of State a statement as to some commitments for the preservation of Israeli rights before we adopt the Eisenhower doctrine, what was his reply? He said, "We cannot do that. We have to do it through the United Nations. This is only a resolution directed toward Russia."

But the time has come for Israel to ask the United States. "What about us? What protection have we any right to rely upon in view of the negotiations which the United States has been making with Arab countries which time and time again have issued the public threat that they intend to wipe this little nation off the map of the world?"

Mr. President, here is one Senator—let me say to the President of the United States—who does not propose to vote for sanctions against the only free nation in the Middle East. Let the President of the United States announce a concrete program which will guarantee, through the United Nations, the preservation of the freedom and the integrity of Israel. Here is one Senator who is not going to vote for any more unilateral action on the part of the President of the United States in the Middle East. It is about time the American people told the President of the United States that he, too, as well as the Secretary of State, should start action through the United Nations. No more of these deals with Arab countries. I would have my country return to that immutable principle laid down by the great Woodrow Wilson when he pointed out that permanent peace in this world has hope of being attained only if we reach international understandings by way of open covenants openly arrived at.

I want to know what covenants the President of the United States is making in the Middle East before I vote for any such blank-check authority as that which is being asked for in the Eisenhower doctrine.

At a later time, today or tomorrow or the next day, I intend to discuss at some length this doctrine; and, let me say to the leadership of my party in the Senate, the resolution they have adopted in the committee is not good enough, because it is only one step. It does not go to the essence of the problem. It does not begin to meet the constitutional question involved. It certainly does not even touch upon the great issues which are affecting peace in the Middle East, such as the Suez Canal, the Arab refugee problem, and the territorial integrity of Israel.

I am going to vote no authority to the President of the United States by way of a blank-check resolution until we come to grips with those three problems.

Before this debate is over I shall offer each one of my amendments to the resolution and ask for the approval or disapproval of the Senate. I surmise they will be disapproved, but we have days of debate which can go out to the whole country. Let the people understand what the issue is about.

Mr. President, I was in California last weekend, and I saw demonstrated in a series of meetings what I am satisfied is great grassroots concern about the President's program. I spoke in the Kern Theater in San Francisco last Friday night. I was quite surprised that 90 cents admission was charged, and the theater was packed with 2,000 people, not because I was the speaker, but because the subject which was announced was the President's doctrine in the Middle East. Those 2,000 persons were greatly concerned about the request of the President of the United States.

Some of my colleagues in the Senate think we should have a quick debate and close it speedily. I want to say that the longer this debate lasts, within rules of reason, the greater service we shall be performing for the American people, because the American people are entitled to have time to consider the facts which will be brought out in the debate.

Here is one Senator, may I say to the Democratic leadership of the Senate, who thinks the language of the resolution does not begin to even scratch the surface of the great issues which are involved. I shall no more vote for the resolution as now phrased than I shall for the original Eisenhower resolution.

Mr. O'MAHONEY. Mr. President, will the junior Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. O'MAHONEY. Mr. President, I should like to compliment the senior Senator from Oregon [Mr. MORSE] on the remarks he has just made. He cross-examined me at great length when I appeared before the joint meeting of the Foreign Relations Committee and the Armed Services Committee in support of certain amendments which I offered to the original resolution. The amendments were designed to make it clear that the grant being made by the reso-

lution would be a grant under the Constitution of the United States. It seemed impossible for me to believe that anyone would refuse to support an amendment of that kind. Yet, it does not appear in the resolution as it has been reported. This afternoon, shortly after the Senate began its session, I offered two amendments upon which I shall attempt to speak later on.

I think they are worthy of mention at this time, because they will appear in the RECORD tomorrow morning; and I should like those who read the RECORD to know where the amendments, if they are adopted, will appear in the joint resolution, and what they will do.

If the Senator from Oregon [Mr. NEUBERGER] will be so kind as to indulge me, I shall refer to page 4 of the resolution as reported by the two committees with the recommendation that the Senate act favorably thereon. The first sentence of section 2 reads as follows:

The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance.

Is the phrase "military assistance programs" defined in the resolution? Is it defined in the report? It is not defined anywhere. Anyone who can read the English language must know that under the phrase "military assistance programs" there could be included the utilization of the Armed Forces of the United States because that would be military assistance. If the President under this language chose to expand his authority as Commander in Chief of the Armed Forces without the consent of Congress, it would be difficult indeed for Congress to stop him after he had put the Armed Forces into action. This is one of the vague portions of the resolution which must be cleared up.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BUTLER. Does not the Senator from Wyoming believe to be sufficient the President's statement, which he has repeatedly made, that he would be in hourly communication with the Congress and would consult with the Congress in all details of action under the resolution before taking action?

Mr. O'MAHONEY. The Senator in his question is trying to relate this matter to one single individual. I am not mentioning a name. I am talking about the office of President. It is the office of President which is mentioned in the Constitution. No names are mentioned in the Constitution, nor could they be mentioned.

Mr. BUTLER. But it is always within the power of Congress to withdraw the authority granted in section 2 if it does not want it to be lodged in the hands of a particular President.

Mr. O'MAHONEY. It is always possible to lock the barn door after the horse has been stolen. I want to lock the barn door now, before there is any theft.

Mr. BUTLER. Would the Senator have the section provide—

Mr. O'MAHONEY. If the Senator will indulge me, I will tell him what I want the resolution to provide. It will take me only a minute to do so; then the Senator can interrogate me with greater knowledge.

Mr. MORSE. Mr. President, will the Senator from Wyoming permit me to make one observation concerning the question asked by the Senator from Maryland?

Mr. O'MAHONEY. Then the Senator from Oregon will have me in trouble with the Senator from Maryland.

Mr. MORSE. Very well; I will withhold my observation.

Mr. O'MAHONEY. Let me read the second sentence of section 2:

Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

Of course, that is a pious wish. We do cherish the hope, as vital to the national interest and world peace, that the independence and integrity of the nations of the Middle East will be secured. But this is merely a statement of a hope.

Now comes a statement of the means by which to fulfill that hope. I read sentence 3 of section 2:

To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism.

Now listen to the proviso:

Provided, That such employment shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations.

If the employment of the Armed Forces of the United States is to be consonant with the Charter of the United Nations, it will be consonant with a charter which provides for the establishment of the Security Council, upon which Soviet Russia sits with a powerful veto.

So section 2—and I draw this to the attention of the Senator from Maryland—as it is presented to the Senate by the committees tells Congress and tells the people that the use of the armed services of the United States may be prohibited by the Soviet Union. Who in this body is willing to give his support to such vague, indefinite language?

I wish to make the purpose clear; so, Mr. President, I have offered an amendment on which I hope the Department of State will make a report. The amendment would strike out the words "Charter of the United Nations," and would substitute in lieu thereof "Constitution of the United States."

The proviso would then read:

Provided, That such employment shall be consonant with the treaty obligations of the United States—

The Charter of the United Nations was established by a treaty, of course—and with the Constitution of the United States.

How can we think for a moment of sacrificing the authority of the Constitution of the United States? We know

that throughout the Middle East there are small governments, such as those of Ethiopia, Egypt, Lebanon, Syria, Pakistan, and Afghanistan, all of whom are members of the United Nations, and we propose under the resolution as it was reported from the committees, to give any one or all of them, including the Soviet Union, the opportunity to act under the Charter of the United Nations and to undo the Constitution of the United States?

I do not believe that any person who will give 10 minutes of concentrated thought to the meaning of the resolution which has been reported by the committees can fail to support the amendment I have proposed, which names the Constitution under whose provisions we sit here. If we are unwilling to name the Constitution, how did we have the courage to take the oath to support it?

If the United States is to maintain moral leadership in the world, and is to protect political liberty and economic liberty among men, we must stand by the Constitution, which is the first and only document ever written in the whole history of the world that guarantees to the people self-government. We will throw the Constitution lightly away, toss it aside, if we refuse to write into the resolution proper reference to the Constitution of the United States.

Mr. President, does the Senator from Maryland now wish to interrogate me?

Mr. NEUBERGER. Mr. President, I wish to remind my distinguished colleagues, whom I thank for their cogent observations, that I have the floor, and that the distinguished Senator from North Carolina [Mr. ERVIN] has requested the floor after I have finished with my remarks. With his indulgence, I will be willing to yield extremely briefly, if the colloquy can be terminated in a relatively short time.

Mr. O'MAHONEY. Mr. President, since the Senator from Oregon has been kind enough to indulge me, let me then state the meaning of my second amendment. Many other amendments could be offered, but section 3 of the resolution as reported is the one which deals with economic and military assistance under the joint resolution.

Section 3 provides, in part:

The President is hereby authorized to use during the balance of fiscal year 1957 for economic and military assistance under this joint resolution not to exceed \$200 million from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accord with the provisions of such act.

If I am correctly advised by the members of the two committees who sat through their executive sessions, the committees have never received from the administration any explanation whatever as to what programs have been conceived for the expenditure of the \$200 million. On the other hand, we are told that at high-level press conferences which have been held, those who attended the conferences were advised that \$50 million of the \$200 million would be used for the purpose of providing military equipment to King Saud, of Saudi Arabia.

Then there is some rather vague language in the further proviso beginning in line 25, as follows:

Provided further, That obligations incurred in carrying out the purposes of the first sentence of section 2 of this joint resolution shall be paid only out of appropriations for military assistance, and obligations incurred in carrying out the purposes of the first section of this joint resolution shall be paid only out of appropriations other than those for military assistance. This authorization is in addition to other existing authorizations with respect to the use of such appropriations. None of the additional authorization contained in this section shall be used until 15 days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use—

And so forth. I seek to amend that by inserting in the sentence—

None of the additional authorization contained in this section shall be used—

The following words—

for either military or economic assistance—

And then the committee amendment continues—

until 15 days—

And so forth. I seek to have that amendment made in the committee amendment because from this proviso in section 3 it is not clear precisely what the additional authorization is intended to mean. This authorization is in addition to other existing authorizations. I seek to make clear that the appropriate committees of Congress shall be advised before any assistance, military or economic, is extended. That merely will carry out the promise that the President of the United States made in his message of January 5, and surely there can be no objection to that.

Now I am at the command of the distinguished junior Senator from Oregon [Mr. NEUBERGER]. I thank him very much for having permitted me to explain my amendments.

Mr. BUTLER. Mr. President, will the Senator from Oregon yield briefly to me?

Mr. NEUBERGER. I yield.

Mr. BUTLER. I wish to thank the Senator. Let me say that at the time when the amendments are submitted, I shall address myself to them. In view of the existing situation, I shall wait until then.

Mr. MORSE. Mr. President, will my colleague yield to me?

Mr. NEUBERGER. I yield.

Mr. MORSE. Mr. President, I wish to commend my colleague for the speech he has made today, because it points the way in regard to the proper relationship of the United States to the United Nations. That is most important, because the relationship of our country to the United Nations is, I think, rather fundamental to the consideration of the so-called Eisenhower doctrine.

If my colleague will permit me to do so, I should like to ask several questions of the Senator from Wyoming.

Mr. NEUBERGER. Certainly.

Mr. MORSE. My first question is this: Is it not true that the President's speech in which he said he would maintain hourly contact with the Congress, is not a part of the joint resolution?

Mr. O'MAHONEY. Certainly it is not a part of the joint resolution, nor is it a part of the report on the resolution.

Mr. MORSE. Is the Senator from Wyoming aware that when, in my examination of the Secretary of State, I proposed an amendment which would require the President to come before the Congress and obtain the approval of Congress before he sent American forces into action in the Middle East, if that became necessary under the joint resolution, or, if the emergency then existing were so great that he could not wait for the 20 minutes that are required to travel from the White House to the Capitol, to report to us, or that he could not wait for the 24 hours that are sufficient in order to convene a special session of Congress, that the President be required to come before the Congress and report his reasons for following that emergency course of action, for our approval or rejection, at that point the Secretary of State said, in effect, that he wanted none of such an amendment—although only a few minutes before he had assured the committees that the President would keep in hourly contact with the Congress? Is the Senator from Wyoming aware of the position of the Secretary of State in regard to that amendment?

Mr. O'MAHONEY. I was not aware of it. However, knowing the position of the State Department in regard to my amendments, I am not at all surprised that the Secretary of State had an adverse reaction to the amendments of the Senator from Oregon.

Mr. MORSE. Let me say, as my last observation on this matter for the time being, that my amendments to the amendments of the Senator from Wyoming—which I completely support, and for which I shall vote—were offered in the committees as a substitute which in essence included the Senator's amendments. But the committee did not want them, as the Senator from Wyoming knows.

I wish to say that the amendments we are submitting, and for which we shall vote, not only protect the power of the Congress and not only protect the principle of the precious checking power of the Constitution, but also strengthen the Office of the Presidency.

I am at a loss to understand why the Secretary of State, purportedly speaking for the President of the United States, does not embrace the amendments the Senator from Wyoming and I are offering, so as to make clear to the American people that the President is perfectly willing to submit to the Congress his request to send American forces into action on the basis of conditions then existing or on the basis of the particular situation then existing, or that he agrees that if time does not permit that, he will come before the Congress forthwith and will report his course of action, for either the approval or disapproval of the Congress. Until the present President or any other President is willing to abide

by the spirit and intent of the Constitution, under article I, section 8, I will never vote him the kind of power he is requesting in the pending joint resolution.

Mr. O'MAHONEY. Mr. President, I glory in the courage of the Senator from Oregon. I know he will never surrender, and that his voice will ring in this empty Chamber until it is heard throughout the length and breadth of the land.

But I say to everyone in the gallery who may be listening that we cannot possibly make the United States the moral leader of the world on behalf of freedom for all peoples if we surrender the Constitution of the United States; and the rejection of my amendments would mean only that—namely, the abdication by the Congress of its constitutional power; and that, in turn, would mean the death of democracy.

I thank the junior Senator from Oregon for yielding.

Mr. NEUBERGER. Mr. President, I thank the Senator from Wyoming for his very penetrating remarks.

Mr. President, I raised the issue of the attack on the United Nations by the minority leader because, regardless of its faults and defects, the United Nations is the only world organization we have in which potential belligerents can talk, rather than fight and drop nuclear weapons upon each other's communities.

I felt that the February 11 speech of the Senate Republican leader was one which could only undermine the faith of Americans in the United Nations. It seems to me important that some Member—regardless of his experience or lack of experience in the Senate—should answer that speech. I have attempted to do so today because it is my hope, and I believe it is the hope of millions of other Americans, that the United Nations will survive the faults of our world, and will remain the great truly worldwide international forum it is.

VISIT TO THE SENATE BY MR. AND MRS. ROCK HUDSON

Mr. DIRKSEN. Mr. President, about 3 weeks ago, the senior Senator from Ohio [Mr. BRICKER] presented to the Senate a former minister from Marietta, Ohio, who later became Colonel Hess, who is the one who airlifted more than a thousand Korean children to an island, so that they might find sanctuary there when the Communist troops came in.

Those exploits have been filmed in a great motion picture called "Battle Hymn"; and the star of that film, who comes from Illinois, is in the gallery.

Mr. President, I ask unanimous consent, notwithstanding the rule, that I may present Rock Hudson, the star of "Battle Hymn," and Mrs. Hudson.

(Mr. and Mrs. Hudson rose and were greeted with applause.)

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Chair wishes to extend the greetings of the Senate to Mr. and Mrs. Hudson. We hope their stay in Washington will be informative and rewarding.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. ERVIN. Mr. President, as a member of the Senate Armed Services Committee, I have been privileged to attend the hearings on the pending resolution, both the open hearings and the closed hearings. As a result of what I heard, I am unable to vote for the Middle East resolution for two reasons.

First, I cannot reconcile a vote for the Middle East resolution with a proper regard for the resources of American taxpayers and the lives of American boys.

Second, I cannot reconcile a vote for the Middle East resolution with a proper observance of the responsibility devolving upon the Congress under the Constitution of the United States.

Members of Congress were astounded, a few days before the present session of Congress convened, by matters released to the press—leaked deliberately, I say—to the effect that a great, new, bold doctrine for the Middle East had been evolved by John Foster Dulles, and that it would be necessary for Congress to put that doctrine into immediate effect because of the great emergency existing in the Middle East. Some of the press dispatches even went so far as to suggest that any Member of Congress who dared to exercise his own intelligence, and determine for himself whether this new doctrine was wise or foolish, would be lending aid to the Communists.

I do not know whether the releases to the press were intended to accomplish such a purpose, but they were certainly calculated to place the Members of Congress over a barrel and make them adopt the new brain child of John Foster Dulles, regardless of whether they thought it wise or foolish.

We might as well realize the facts of government along with the facts of life: While the doctrine is called the Eisenhower doctrine, it is the brain child of the present occupant of the office of the Secretary of State.

When we got into the hearings we made some discoveries that were totally inconsistent with the releases which had been given to the press. We found, for example, that the Middle East resolution announcing the new doctrine was not, in fact, directed toward the Union of Soviet Socialist Republics. We found that out because the Secretary of State himself testified that there was nothing to indicate that Soviet Russia was preparing to make any armed attack upon any of the nations of the Middle East. We found that out because Admiral Radford, the Chairman of the Joint Chiefs of Staff, testified, in substance, that there was nothing to indicate that Soviet Russia was about to make any armed attack on any nation of the Middle East. We further discovered, Mr. President, from the testimony produced before the Armed Services Committee and the Foreign Relations Committee, that there is, in fact,

no basis for the assertion that there was an emergency demanding that Congress should immediately swallow the Middle East resolution, lock, stock, and barrel, without investigating it and studying it.

The resolution has two alleged objectives. One is to authorize the President of the United States to use the Armed Forces of the United States in the Middle East.

I thought, from what I read in the press, that it was necessary for us to send our Armed Forces immediately to the Middle East to garrison the Middle East. So I asked the Secretary of State if it was planned, under the resolution, to station ground forces of the United States in the Middle East, and the Secretary of State replied, in substance, that there was no plan to station ground forces of the United States in the Middle East.

He went so far as to suggest that the Navy was in the Mediterranean, and that the Navy might take care of the situation. I thereupon observed, in substance, that I could not visualize the Navy sailing around on the sands of Arabia. Then the Secretary of State said that if any emergency should arise requiring the use of ground forces of the United States in the Middle East, the troops would be brought in from some other places on the face of the earth.

It strikes me that if we are to have time to bring in American ground forces from some far distant corner of the earth in case some emergency should arise demanding their use in the Middle East, we might have time to let Congress, which is sitting here in Washington, and which will be here until July, August, or September, act on this matter in an orthodox and constitutional manner.

Then the Secretary of State said, "It is necessary that the Congress release immediately from all restrictions \$200 million of President's appropriation so that it can be spent in the Middle East." I think every member of each of the two committees tried to find out from the Secretary of State how he wanted to spend that \$200 million. He told them that he did not have any plans as to how it was to be spent. I do not know how other Members of the Senate may feel; as to this, I cannot forbear observing, however, that when any official or private individual comes to me and tells me that there is a great emergency which requires him to have some amount of money which he can spend in a foot-loose and fancy-free manner, and also tells me, at the same time, that he does not know how he is going to spend it, he fails to satisfy my intelligence that he needs the money.

So I say that the evidence before the two committees which considered this resolution wholly failed to establish that there was any reason which would justify the Congress in passing the resolution as an emergency measure as the original press report suggested it should be passed, either from a military standpoint or from a financial standpoint.

I have alluded to the fact that the testimony of the Secretary of State himself, and the testimony of Admiral Radford, establishes beyond any question that this resolution is not directed at

Soviet Russia. I think every intelligent being knows that if Soviet Russia were to make an armed invasion of the Middle East, that act would be the signal for the beginning of the third world war, without any resolution of any character being passed by the Congress.

The truth is, Mr. President, that the testimony offered in support of the resolution makes it so plain that he who runs may read and not err in so doing, that this is a resolution advocated by the Secretary of State for the purpose of making the United States a policeman for the countries of the Middle East. We have had in our foreign policy in that area appeasement. We have had in our foreign policy in that area foreign aid. This resolution would not, on the one hand, put an end to appeasement, or, on the other hand, accomplish anything worth while in the foreign aid field that is not authorized by acts of Congress which appropriated approximately \$750 million for use in this area of the world during the present fiscal year.

There is no necessity for untying these funds. According to the evidence the Secretary of State already has \$95 million which he can spend in a footloose and fancy-free manner in that area of the world, and he does not even know how he wants to spend the \$95 million he now has.

I have said that I could not reconcile a vote for this resolution with a proper regard for the resources of American taxpayers and the lives of American boys. On this point, let me say that the Senate might as well realize what it is doing if it passes this resolution. It is appointing the present Secretary of State as its unlimited agent in the Middle East.

I have known another person who wanted somewhat similar unlimited power. In my hometown in North Carolina, there used to be two gentlemen who trafficked in mules. One of them was named Bob Goodson and the other was named Vance Powell.

Occasionally they would engage in a joint venture in the buying and selling of mules. On one occasion, Vance Powell came into my law office and said, "Six months ago I went over to Tennessee and bought some mules for the joint account of Bob Goodson and myself, and Bob Goodson has never ceased to complain about the traits of some of the mules I bought on that occasion."

He stated further, "Bob Goodson came to see me yesterday, and wanted me to go back to Tennessee and buy some more mules for him and myself. I told him I was not going to do it unless I could get a paper fixed up to protect me against him in the future. So I have come to you to draw me a paper which says these things, according to law: that Vance Powell is going to Tennessee and buy some mules for the joint account of himself and Bob Goodson; that Vance Powell is going to do as he pleases in buying those mules, and is going to exercise his own judgment in all respects; and that when he gets back to North Carolina with those mules, there is not going to be any 'hereafter' about any of them from Bob Goodson."

The Secretary of State is trying to get the Congress to pass a resolution ap-

pointing him as its unlimited agent, to do what he pleases, according to his own judgment, in the Middle East. If the Congress passes this resolution, it will have no right to have any "hereafter" about it, because it will be authorizing in advance everything which the Secretary of State does.

I have witnessed the activities of the Secretary of State in the Middle East. I have noted the fact that at the time he became Secretary of State, England, our ally, which has a peculiar interest in the Middle East so far as the Suez Canal is concerned, by reason of its mercantile activities, had 85,000 troops in the Middle East guarding the Suez Canal and keeping it open for the commerce of the world.

The Egyptians did not like that. They desired to seize the canal in violation of their agreement that the Suez Canal would remain in the custody of the Suez Canal Company until 1968. The Egyptians advised our Secretary of State that they did not like the English. To appease the Egyptians, the Secretary pressured the English into removing their troops from the Suez Canal, leaving it defenseless. A few days after the last contingent of British troops was withdrawn—exactly 13 days, as I understand—Colonel Nasser seized the Suez Canal. All of us are familiar with the subsequent events.

Mr. FULBRIGHT. Mr. President, does the Senator desire to yield at this point, or does he wish first to conclude his remarks?

Mr. ERVIN. I would prefer to finish my remarks; then I shall be very glad to yield to the distinguished Senator from Arkansas.

We are all familiar with the subsequent events, and I shall not detail them. They wound up with the United States voting with Soviet Russia in the United Nations against two of our most faithful allies, England and France.

I asked the Secretary of State, during the hearings, if we had not voted with the Soviet Union against two of our allies, and he said, "No; the Soviet Union voted with us." I remarked that that was a difference without a distinction, because the fact is, regardless of whose resolution it was, the United States and Russia voted for the resolution, which was, in substance, a verbal chastisement of our principal allies.

I do not know how the other Members of the Senate may feel about this matter. However, having observed the conduct of affairs in the Middle East by the present Secretary of State, and having observed the disastrous consequences of his conduct of such affairs, I do not have sufficient confidence in the soundness of his judgment to be willing to underwrite his future action in that area of the world with the resources of American taxpayers and the lives of American boys.

I said that a vote for the resolution cannot be reconciled with a proper regard for the resources of American taxpayers. It is proposed in the resolution to initiate for the Middle East a new policy, under which the executive branch of the Government, acting through the International Cooperation Administration of the State Department, shall have

the right to expend the money of the American taxpayers at its uncontrolled whim and caprice.

I have been struck during recent days by the fact that the Federal income tax is rather burdensome. My church's catechism says that the chief end of man is to glorify God and enjoy Him forever. The Federal taxing laws take issue with that statement of the catechism, because they attempt to make the payment of income taxes the chief end of man.

Persons in our lowest brackets are now paying Federal income tax at the rate of \$20 out of every \$100 of their income above a very limited exemption.

Yet we are asked to adopt a resolution which will commit us to the policy of extracting money from the pockets of our hard-pressed taxpayers for the benefit of nations of the Middle East whose rulers are receiving oil royalties aggregating hundreds of millions of dollars annually.

I believe that before it passes this resolution the Senate should investigate the possibility of having these oil royalties devoted to the use of the people of the countries of the Middle East.

Mr. President, there is another reason why passage of the joint resolution would not be consistent with a proper regard for the resources of American taxpayers and the lives of American boys.

There are in Europe 15 nations, having a combined total population in excess of 270 million, lying outside the Iron Curtain. These 15 nations are directly dependent upon the continued flow of oil from the Middle East for their economic welfare. The Secretary of State himself, during the course of the hearings, went so far as to describe the continued flow of Middle East oil as the economic lifeline of these nations.

Yet, notwithstanding the fact that these 15 nations of Europe are primarily dependent upon this oil for their economic salvation, the resolution puts the burden on the American taxpayers to insure the continued flow of this oil to those 15 European nations, whose combined population is largely in excess of that of the United States, without calling on them for the expenditure of a single penny to accomplish this task.

More than that, Mr. President, the joint resolution contemplates that Congress will underwrite the continued flow of this oil to these 15 nations having a combined population of more than 270 million, with the lives of all American boys of military age, without calling on the 15 nations of 270 million persons for a single one of their sons.

No one has given me a single sensible reason why the United States should be called on to pledge the resources of our taxpayers and the lives of our sons to continue the flow of oil to these 15 nations, which are not asked to do anything whatever in regard to the matter.

If Uncle Sam is unwise enough to assume the burdens which this resolution would impose upon him, it will not be long before some of the NATO countries will be tempted to say, "If Uncle Sam can carry burdens like those without our assistance, he can assume the entire responsibility of guarding us against any menace from the Soviet Union."

If we want to do something constructive in the Middle East, Mr. President, we do not have to assume the entire burden ourselves. We do not have to adopt the go-it-alone policy envisaged by this resolution. There are in that area now four nations—Turkey, Iran, Iraq, and Pakistan—which have signed the Baghdad Pact to come to each other's mutual assistance in case of an attack by Russia. These four nations seal off the Russian border from the remainder of the Middle East. Not only are these four nations signatories to the Baghdad Pact, but the United Kingdom, as well, is a party to it. The five signatories have a combined population in excess of 170 millions. Yet, instead of allying ourselves with those 170 millions to secure the Middle East against Soviet aggression, we are asked to pledge that if necessary Uncle Sam will go it alone in defending that area of the world.

I asked the Secretary of State why he did not recommend that we become a signatory to the Baghdad Pact, and he said it would involve us in Arab politics.

When he was asked how he would spend the money which he would be authorized to spend under this resolution, he said he had no plans for it, but he did suggest one expenditure he could make, and that was that he might use some of it to strengthen the security forces of the nations of the Middle East against internal uprisings.

Mr. President, I submit that if the United States is going to attempt to maintain the status quo in the countries of the Middle East insofar as their present governments are concerned, Uncle Sam will be sticking his nose into Arab politics with a vengeance.

So much for the proposition that a vote for the Middle East resolution cannot be reconciled with a proper regard for the resources of American taxpayers and the lives of American boys.

I now wish to discuss my second proposition; namely, that a vote for the resolution cannot be reconciled with a proper regard for the function of Congress under the Constitution.

We lawyers are accustomed to use the axiom "Out of the facts, the law arises." By that we mean that we cannot tell what the law is until we know what the facts are.

This is true with respect to the war powers of the President and the Congress under the Constitution. As I have pointed out, all of the evidence produced before the Armed Services and Foreign Relations Committees of the Senate concerning Senate Joint Resolution 19 left me with the abiding conviction that this resolution is not, in fact, directed against Russia. As I have further pointed out, world war III would automatically begin if Russia were to make an unprovoked armed invasion of the Middle East regardless of whether this resolution is passed or defeated.

The evidence presented to the committees discloses beyond all doubt that this resolution is directed against the countries of the Middle East. Under it, the United States is appointing itself a policeman for the Middle East to make the countries of that area stay at peace.

This is the object of the resolution and any pretense that it is directed at anything else is not supported by the evidence we had before us.

There are two kinds of warfare—defensive warfare and offensive warfare.

The only real protection the American people have on either the national or the international level is the protection afforded them by the Constitution of the United States. For this reason, I am unwilling to do anything which will, in effect, alter the Constitution of the United States without the consent of the Congress and the States—the only agencies authorized to amend it.

I do not claim to be an expert on the subject of the war powers of the President or of the Congress.

I have nevertheless given a lot of study to it. Such study has led me to the abiding conclusion that the power of the President as commander in chief of the Army and Navy under the Constitution when not acting by congressional authority is wholly defensive in nature, and that by virtue of its constitutional right to declare war, Congress and Congress alone has the power to authorize the employment of the Armed Forces of the United States in offensive warfare.

When this resolution is read in the light of the evidence presented before the committees, it clearly appears that the resolution is designed to permit the President to send the American forces into action on behalf of a Middle East country which is attacked by another Middle East country in case he decides that the latter country is controlled by international communism. This being true, the resolution is designed to permit the President to commit the Armed Forces of the United States to offensive warfare. We would delude ourselves, indeed, if we should say in such case that the United States were fighting in its own self-defense. An attack upon one Middle East country by another would not, in fact, imperil the national security of the United States.

For these reasons, I am unable to support any of the proposed amendments to the resolution declaring, in substance, that the President would have the right to engage in offensive warfare under these circumstances without authorization from Congress.

I have equal difficulty with the resolution in its original form. It undertakes to give congressional authorization to the President to engage in offensive warfare against some undesignated nation in the Middle East in case such undesignated nation attacks another Middle East country; and the President finds that such undesignated nation is controlled by international communism. When the people of the United States adopted the Constitution vesting in Congress alone the power to authorize offensive warfare, they contemplated that the Members of the Senate and the Members of the House of Representatives should determine, in the exercise of their own judgments, whether sufficient justification exists for committing the Armed Forces of the United States to offensive warfare before they authorize the waging of such warfare. They did not intend that the Members

of the Senate and the Members of the House should abdicate their constitutional power and responsibility by delegating to the President the power to engage in offensive warfare at some subsequent time against some other nation to be selected by the President.

Mr. President, it has been suggested by some that this resolution is similar to the resolution regarding Formosa. The fact is that the distinction between this resolution and the resolution relating to Formosa is as wide, as broad, and as deep as is the gulf which yawns between Lazarus in Abraham's bosom and Dives in hell.

In the case of the Formosa Resolution, we knew who the enemy was. The enemy was Red China, which had committed aggression against us in Korea. We also knew that the armed forces of Red China were being massed on the mainland of China, and that they were firing on some of the islands, especially Matsu and Quemoy. We also knew that Red China had threatened to conquer Formosa, which was plainly within the line of our Pacific defenses. So in that case we knew who the enemy was. We knew that the enemy was preparing to make an invasion of Formosa, and we knew that Formosa was in the line of our Pacific defenses.

In this instance we do not know against whom a war is likely to be waged. We do not know whether there will be any justification for an offensive war. As a matter of fact, the Secretary of State himself testified that there is not now a single country in the Middle East which is controlled by international communism.

So Congress is asked to pass a resolution authorizing the President to commit the Armed Forces of this Nation to offensive warfare at some future time against some nation not yet identified. In other words, we are asked to delegate to the President our constitutional responsibility of determining whether there will be any justification for offensive warfare in the Middle East at some undesignated time in the future. More than this, we are asked to delegate to the President our constitutional power to determine the identity of the nation against which the offensive warfare is to be waged. We are asked to do that at a time when Congress is in session, and when, from all prospects now apparent to us, Congress will be in session for months and months to come.

Holding these views, as I do, I am not willing to abdicate my function as a Member of the Senate and to let the President not only determine the sufficiency of the justification for offensive warfare at some future time in the Middle East, but also to select the nation against which such warfare is to be waged. Consequently, I cannot vote for the resolution.

If the administration wants to make it plain that the United States will not tolerate any unprovoked armed aggression by the Soviet Union in the Middle East or elsewhere, it ought to present a forthright resolution to that effect, calling the Soviet Union by name and apprising it in unmistakable language of that purpose.

For the reasons I have stated, I do not see how a vote for the joint resolution can be reconciled with a proper regard for the resources of the American taxpayers, with a proper regard for the lives of American boys, or with a proper regard for the responsibilities devolving upon Congress under the Constitution of the United States. Therefore, I shall vote against the joint resolution.

VISIT TO THE SENATE BY HIGH SCHOOL STUDENTS FROM RHODE ISLAND

Mr. PASTORE. Mr. President, in the gallery this afternoon are some 90 students from various high schools in the State of Rhode Island. They are here because of their interest in international affairs. We realize that while they are young today, they will be our elder citizens and leaders of tomorrow, and we are happy, proud, and privileged to have them as our guests.

The students have come to Washington under the auspices of the World Affairs Council of Rhode Island. They could not be in Washington at a more propitious time than when the Senate is debating Senate Resolution 19, which has to do with the conditions in the Middle East.

Mr. President, I respectfully ask that these young people be allowed to rise, so that they may be greeted by the Members of the Senate.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Will the students from Rhode Island stand, so that they may be greeted by the Members of the Senate?

(The students rose in their places in the gallery and were greeted with applause, Senators rising.)

TRINITY RIVER—CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. KUCHEL. Mr. President, yesterday I prepared some comments relative to a problem which is of primary concern to the State of California, which I have the honor, in part, to represent in the Senate. I wish to make those same comments now to the Senate.

As authorized by Congress, the Trinity River Division project in my State will be a multipurpose project, completely integrated with the Central Valley project, which itself is a public, multipurpose project approved by the people of California in the 1930's, and which was built by the Federal Government under Federal reclamation law.

The Trinity project was recommended by former Gov. Earl Warren and by Gov. Goodwin Knight as such a multipurpose development. In the Senate, in 1955, I sponsored the legislation authorizing the Trinity project, and my colleague, the minority leader, the distinguished senior Senator from California [Mr. KNOWLAND], cosponsored it.

In July 1955, Representative ENGLE requested the Senate to take up his House-approved bill by reason of the lateness of the session. It was similar to the Senate version, except that it provided also for a continuance of studies and a report to Congress by the Secretary

of the Interior on proposals for power development through the purchase of falling water at Trinity by a non-Federal agency, as a result of proposals made by the Pacific Gas & Electric Co.

Last week, pursuant to the study provision, the Secretary recommended a contract with the Pacific Gas & Electric Co. for the purchase by it of falling water and the installation of power-generating facilities at Trinity. Whether the Federal multipurpose development there and integration with the Central Valley project are now to be abandoned and the contract approved are, under the law, for Congress to determine. I shall discuss here only a few of the salient points on which he bases his recommendation.

The Commissioner of Reclamation in his report which is attached to the Secretary's recommendation states:

The all-Federal development assumes extending to the Trinity division policies and reclamation law which provide for sale (1) of power to preference agencies, (2) at lowest rates to all customers consistent with the financial needs of the project.

This is the basis on which the Central Valley project was built and upon which the Trinity project, now under construction, was authorized by Congress, all pursuant to Federal reclamation law in effect since Theodore Roosevelt's administration.

Preference agencies are nonprofit, public agencies which are given priority in the sale of power publicly produced by the Federal reclamation projects. Among the agencies in California presently exercising their preference with the Central Valley project and buying public power are municipalities like Sacramento and Roseville, the latter an atomic energy installation, various Army, Naval, and Air Force bases, and irrigation districts in the Sacramento and San Joaquin Valleys.

If the Secretary's recommendations were to be approved, his own Commissioner of Reclamation states that the power available to preference agencies would be curtailed; 650,000 kilowatts would be available to nonprofit agencies under Federal development, contrasted with 400,000 kilowatts under private development.

Under private development, the Commissioner finds that the preference agencies would be required to pay \$86 million more for power over a 50-year period than if Central Valley power continued to be available. If the proposed San Luis reservoir in the San Joaquin Valley were constructed, almost all preference customers would be required to look elsewhere for power. The Commissioner finds that they then would be required to pay a total of \$118 million more for power, of which Federal installations would pay \$71 million more, and State and local preference customers would pay \$47 million more. This is tantamount to emasculating the preference law so far as the Central Valley project is concerned.

Indeed, the Secretary himself recognizes this. In his letter of recommendation, he states:

I am not unmindful of the fact that acceptance of the company's proposal would

render it impossible to comply with two of the restrictions contained in the act. The first of these is the provision which requires that contracts for the sale and delivery of the additional electric energy available from the Central Valley project power system as a result of the construction of the plants authorized and their integration with that system shall be made in accordance with preferences expressed in the Federal reclamation laws. The second of these is the requirement that a first preference be given to preference customers in Trinity County, Calif.,—

And here I observe that that will be the site of the Trinity project—

to the extent of 25 percent of the additional energy added to the Central Valley project as a result of the construction of the Trinity River Division. Since joint development of the Trinity resource would add no energy to the Central Valley project power system, except to the extent that the company provides support under its proposed amendments to the existing sales and interchange contract, it appears that there would be no power from which to satisfy either of the two restrictions mentioned. The company's proposal would provide Trinity County with powerplant values to be added to its local tax base as an offset to its first preference position under all-Federal construction.

The 1955 report of the Senate Interior Committee on the Secretary's study accompanying the Trinity authorization bill, said on the question of the preferences law:

The proviso is in no sense to be understood as an authorization to waive, in any negotiation for the sale of falling water, any preference in the sale or transmission of power as expressed in section 5 of the Flood Control Act of 1944, in the Reclamation Project Act of 1939, or in any other law.

In reporting the Trinity bill, it was the intention of the Senate committee to preserve inviolate the preference clause sections of the reclamation laws, and to indicate that the study by the Secretary was not to be interpreted as approving any departure from the traditional policy which, as I have said, Theodore Roosevelt's administration laid down. That was precisely my intention in handling the bill in the Senate, and was, I believe, the intention of the Senate in passing it.

In my judgment, the Congress will not consider repealing the preference clause. At any rate, that clause will not be repealed with my vote. One does not need to be doctrinaire on power policies in order to recognize the right of people to determine the kind of electric service they desire for their community or their district, under preferences given to them by Federal law on Federal reclamation projects. With respect to Federal installations, long served by Central Valley project power, such as a Navy shipyard, an Atomic Energy Commission development, or Army or Air Force bases, it is illogical to urge that the Federal Government build a \$225 million project only to compel its own governmental agencies to pay private-power rates for the electric energy produced by the waters stored therein. Indeed, it would be illegal under the Trinity authorizing law.

There is another fundamental consideration to which I wish to allude. The

Secretary recommends that one segment, Trinity, of a vast, integrated reclamation project, be operated, so far as power production is concerned, entirely differently from the rest of the project. Here, in being, in the Central Valley project, is a whole integrated system of dams, powerplants, reservoirs, and canals, constructed by the United States, all designed to protect people and land from floods, and to benefit both through a dependable water supply for agricultural and domestic purposes. In paying for the cost of this immense undertaking, the people of the area benefit by the sales of electric energy which the system incidentally produces.

To expand its benefits, so as to meet the growing needs of our State for the right amount of water at the right time, the Trinity project was first a dream, and then a reality. From the very beginning, the California State government has urged the Federal Government to undertake its construction and to integrate it with the Central Valley project, with a specific recommendation for Federal generation of power attendant upon the release of waters from the new dam.

The Secretary's recommendation for private power development at Trinity is fraught with many perils.

The theory of California water law is one of beneficial consumptive use. Our semi-arid State cannot afford to waste water. In a Federal reclamation project, the Bureau of Reclamation must determine what is the most efficient use of the water in the storage reservoir for both domestic and agricultural use. That is the basis on which it must discharge its responsibility of administering reclamation projects. Beneficial consumptive use of impounded waters must have complete priority over their use for the generation of electricity. Under the Secretary's proposed contract, the single responsibility of the company would be to produce hydroelectric power in a manner most efficiently to supply the needs of its own customers. In the proper functioning of the Central Valley project, I visualize a deadly serious problem if the needs of water by the Central Valley were to conflict with the needs of electricity by the customers of the company.

The basic concept of the Central Valley project would be drastically altered, if not, indeed, destroyed, by the proposed contract. Suppose, in a period of water shortage, agricultural needs compelled the project to draw off water from the reservoir at a faster rate than that required by the company for power production. Apparently to resolve the resulting problem, the contract proposal would require the United States to pay a penalty to the Company for doing the very thing which the project was designed to accomplish. The basic purpose of the Central Valley project is storing and releasing water in the interests of irrigation and reclamation. That purpose is in the public interest, and the public interest requires that that purpose be fulfilled without imposing penalties on the Government of the United States.

There is room in California for both public power and private power to meet the growing needs of our growing State. I seek to encourage both. Where, as in the Central Valley project and the Trinity River, facilities have been created through an investment of public moneys, I believe that the power produced by them should be distributed to public agencies, as has been so successfully done for many years. The Central Valley project was not constructed for profit. It was built to satisfy an urgent need among our people for reclamation assistance. Its benefits should be distributed on as wide a range as possible.

When the Trinity authorization bill was before the Senate, I had, as I have said, the responsibility of presenting it and of urging its passage. At that time, I repeated to the Senate what I earlier had said to the Senate committee:

Personally I believe in this instance, since all other generating plants in the Central Valley project are federally operated, the Trinity plants should be also. But to permit careful study of the partnership possibility, the Engle bill directs the Secretary of the Interior to continue its studies and negotiations and report with recommendations to Congress in not less than 18 months. I approve of this provision, because it will give Congress a full opportunity to decide whether the Trinity powerplants should be federally or privately operated.

In the intervening months I have repeated that statement to the people of California many times. That is the position I have taken in the public interest. And I am supported in that belief by the similar position which two Governors of California and their administrations have taken on it.

I am supported, too, by the vote of the people themselves in approving the Central Valley project with their votes in the 1930's. I have studied the recommendations of the Secretary of the Interior. I realize that each Member of Congress must make his decision as he sees the light. I have made mine. I disagree with the recommendations of the Secretary of the Interior. They do not serve the interests of the people of California. I cannot and will not support them.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. KUCHEL. Mr. President, I have listened to the debate in the Senate with respect to the President's proposals on the Middle East. The President of the United States desires peace. So do the people of the United States. And it is in the interest of peace that Dwight Eisenhower is making his recommendations to the Congress.

I recall sitting in the Senate a little over 2 years ago when the President made his recommendations with respect to Formosa. At that time he asked the Congress to confirm in him the author-

ity to commit the armed might of the people and the Government of the United States to prevent Communist aggression in the Far East. A direct hazard to the security of the American people was involved. The Congress responded, and it responded overwhelmingly. Senators on the other side of the aisle, as well as those on this side, took the lead in urging approval by the Senate of the recommendations the President had made as contained in the so-called Formosa Resolution. After the adoption of that resolution, the Government of the United States stood united before all the world. I wish to submit, as my sincere and well-considered opinion, that the action of the Congress in adopting the Formosa Resolution went a long way toward deterring Communist aggression in the Far East and toward preventing war in that area.

I see the Senator from Oregon [Mr. MORSE] has returned to the Chamber. In his comments earlier today he suggested that he had made a speech in California a few days ago in the presence of a number of Californians, and he used that as an instance as the basis for his asseveration that there was a grass-roots movement across the country in opposition to the President of the United States and his recommendations with regard to the Middle East. I deny that. In denying it, I desire to say that, in my judgment, the overwhelming majority of the people of California know that the President of the United States earnestly and prayerfully works for peace. In the interest of the security of the people of the United States and of a just and enduring peace in the world, he has made recommendations to the Congress which I propose to follow.

I recognize full well that Congress, as has been stated on the floor many times, is a coequal branch of the American Government. I recognize full well the responsibility of the Congress to discharge its coequal responsibility, as it is indeed doing today, as it did yesterday, and as it will continue to do until finally the great majority in the Senate will follow the great majority in the House of Representatives in taking a stand before the world to demonstrate what we believe is in the interest of American security, and in advance indicating what we intend to do. Amendments to the original text may well be adopted by the Senate. I completely approve of some. But, basically, we will approve what an American President has proposed.

To his credit, the candidate of the Democratic Party for President in the last election stood in Los Angeles yesterday and said he would support the President if he were a Member of the Senate. Earlier, the distinguished former President of the United States, Mr. Harry Truman, did likewise.

I am not a member of the Senate committees concerned with the pending legislation but I have read the earnest, forthright recommendations of many great Americans, like Gen. Alfred Gruenther, urging that this country demonstrate its unity by congressional approval of the Presidential recommendations, and it has seemed to me that it requires very little prescience to

prophecy that in the case of the pending resolution, when it comes to a vote, there will be the same bipartisan acceptance of it as took place on the floor of the Senate in my earlier days here, when the Formosa Resolution was adopted, and as a result I believe we shall advance the cause of peace, not the cause of war.

Mr. FULBRIGHT. Mr. President, I shall not delay the Senate at this time very long, but I should like to make a few further remarks about the pending resolution. First, I should like to compliment the Senator from North Carolina [Mr. ERVIN], who spoke on the resolution just a few moments ago. The Senator from North Carolina made a fine contribution to the deliberations of the two committees sitting jointly on the resolution. I intended to ask the Senator some questions about his remarks a moment ago, but unfortunately, I was called from the floor, and the Senator from North Carolina completed his remarks before I returned.

I want the RECORD to show that in our committee deliberations, the Senator from North Carolina played a very prominent and constructive role, especially in regard to the constitutional aspects of the resolution. I think he clarified those aspects for the committee, and he deserves much of the credit for the improvement in the text of the resolution which was adopted by the committee.

There are one or two aspects of the matter on which I wish to comment at this time. First, I should like to make it clear that the overall objective of the resolution is perfectly acceptable to me. I had no objection to the objective of the President's policy as he stated it to the joint session of the Congress—that is, the policy of this country to resist expansion of communism in the Middle East by overt armed aggression. I would go further and say aggression by any other means should be resisted by this country. I objected to the form in which the proposal was submitted to the Congress. I have noticed that some newspapers and commentators ignore the questions of the form of the proposals. They pass over my objections and those of others who object to the constitutionality of this particular procedure.

I wish only to point out, as strongly as I can, that after all Government is largely a collection of procedures. The difference between the Government under which we operate, under the Constitution, and no government at all, is a group of rules which we agree to abide by. The Senate could not function at all without rules which we accept and abide by. Year after year the Senate spends a great deal of time on the interpretation and application of its rules. When responsible citizens, and especially newspapers, which are supposed to help the citizens of this country to understand great issues like this one, ignore the significance of the arguments relating to the constitutionality of this resolution, I think they are failing in one of their chief responsibilities to the people of the country.

Whether or not they agree that those of us who have criticized the procedure

followed are right, is one matter; but to ignore it and to say that this is nothing but partisan wrangling, as some leading newspapers have said, is in my opinion a disservice to the people, and I think it will cause trouble in the future.

My principal objection, as I stated at great length—and I shall not repeat the arguments—is to the constitutionality of the procedure, that is, undertaking to delegate by joint resolution an authority which I think inheres in this body and should not be delegated. Also, such an attempt to delegate authority would cause confusion with regard to the emergency powers of the President as I explained on February 11 on the floor of the Senate.

The other aspect of it which I think is a bad precedent for the future of this body and of our legislative process is the authorization of large sums of money without any restrictions or regulations whatever. I agree that we have done that on a minor scale in some instances in the past, but I think the degree in which it is proposed in this instance, and the manner in which the proposal is brought in, coupled with this other provision which is questionable on constitutional grounds, would create a precedent which would be very embarrassing to us in the future. I also think it is quite unnecessary to do this, in view of the existence of large sums of money now available in this area.

I wished to say a few words to clarify my position, and I think some of the other Members who have voted against the resolution or criticized it. We have all been motivated by the same considerations. That is to say, we are not trying to weaken the President, and we are not failing to support the overall objective of the President, but we insist that this kind of policy should follow a procedure which is well established, and about which there is no question.

I, myself, moved in the committee to change this resolution from a joint resolution to a concurrent resolution, which would cure the principal constitutional objection. That motion was voted down, much to my regret.

Now we are confronted with a resolution which, while still in the form of a joint resolution, embodies a change in the language delegating specific powers in the field of the warmaking power, so that it merely expresses a policy. That policy is much more appropriate to a Senate resolution expressing our advice and consent under the Constitution, than it is to a joint resolution undertaking to legislate.

So we have a strange combination. However, I must say that certainly on constitutional grounds the joint resolution is better than it was. I regret that this kind of confusion and difficulty has arisen in connection with such an important matter.

I can only say that we have the precedent of the Vandenberg resolution on the one hand, and on the other, the precedent of the Truman doctrine. President Truman was content to rely upon his statement to the joint session for the enunciation of the policy; and at a proper time later he brought in

a full-fledged authorization bill, which was comparable to our ordinary foreign aid bill, which will be before us, probably, in a few weeks.

I wished to say these few words to try to place in a little better perspective the reason why some of us have objected to this joint resolution, and still question the procedure which is being followed, because it tends to confuse the procedure which should be used in the future.

A PROGRAM FOR HEALTH

Mr. MORSE. Mr. President, I should like to call the attention of the Senate to an exceedingly interesting and fine article which my able colleague from Oregon wrote and which was published in the February issue of *Eagle*. The article is entitled "Crash Program for Health." The article carries the sub-head: "We Spend Billions on Weapons. Why Not Finance a Full-Scale War on Cancer and Other Killing Diseases? Success Could Open Vast New Horizons for Man."

I should like to use the article written by Senator NEUBERGER as the springboard—shall I say—for calling attention to what I think is a great moral obligation of this session of Congress. I know there are those who think, when we start talking about moral obligations in connection with the responsibilities of a free government to a free people, that one somehow becomes abstract and highly theoretical and impractical.

To the contrary, when we talk about living up to our moral obligations in carrying out the responsibilities of government, we are talking, in my judgment, about the primary purpose of government. So many times I have said—and it cannot be said often enough—that the primary purpose of this Government of ours is to protect and promote the interests of our people, who make up the Government.

The people who make up our Government are not the officials of the Government. The people who make up our Government happen to be our entire citizenry.

When one talks about our moral obligations as a Government in respect to the health of the people of our country one is treading on very thin ice in some quarters. I am shocked by the extent to which powerful lobby forces have succeeded in convincing many people that the Government should follow a complete hands-off policy when it comes to the matter of the health of the American people.

There is a great job of educating to do on this subject. I hold to the premise that the American people are entitled to receive from their Government much greater protection and much greater assistance in the realm of public health than they are now receiving. I cannot remain silent in the Senate, and shall not, on this issue of the exercise of greater responsibility on the part of Government in doing what a Government should legitimately do in giving greater protection to the American people in the field of health.

It is Christian. It is moral. It clearly falls within the keystone clause of the

Constitution, to promote the general welfare of our people.

I have no intention now, any more than I had during the past 12 years, of worrying myself about political lobby forces which hold that it is to take the American people down the road to socialism to advocate legislation aimed at better protection of the health of our people.

This Congress, this year, in my judgment, should appropriate substantial increases in funds for greater research, for example, in the fields of cancer and heart disease, and all the other great diseases which plague the health of our people, and about which the medical profession knows so much, and yet, when all is said and done, so little, or perhaps too little.

I feel that there ought to be a co-operative arrangement between Government and those great men and women who work within the medical profession and allied professions, motivated as they are by great humanitarian impulses to help give greater service to the people of our country in the field of health.

Government has a role to play. I think that my colleague, in this very fine article, published in the *Eagle* magazine, entitled "Crash Program for Health," has outlined at least a segment of this problem with great clarity, and I now ask that it be incorporated in the *RECORD* at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

"CRASH PROGRAM" FOR HEALTH—WE SPEND BILLIONS ON WEAPONS; WHY NOT FINANCE A FULL-SCALE WAR ON CANCER AND OTHER KILLING DISEASES?—SUCCESS COULD OPEN VAST NEW HORIZONS FOR MAN

(By RICHARD L. NEUBERGER, United States Senator from Oregon)

With one of America's most famous female radiologists at my side, I looked through the slit-like glass window which had been niched in concrete walls 30 inches thick. Beneath a great cone-shaped apparatus, a woman lay on a table. A bathrobe covered her body. The room was darkened. The tiny point of the equipment seemed to pick out her chest and throat. She was receiving radiation treatment from a "cobalt bomb" for deep-seated cancer. The mysterious roentgen rays made no sound.

Would the treatment be successful? Would it arrest the deadly march through her system of malignant cells? Would she survive?

These questions flashed across the innermost frontier of my mind. Another question lurked there, too. Would the woman on the table ever know a moment's peace or contentment again? During her entire life, be it long or short, could she ever spend a fleeting hour free of anxiety and terror? Would each twinge of pain mean that the fatal killer had returned?

The woman on the table was obviously younger than my wife or I. What if it had been one of us on that table beneath the cone—the cone from which came the unseen rays that might mean a reprieve, if only the malignancy had been detected in time? Cold drops of perspiration dotted my forehead as I harbored these thoughts.

And yet, I mused how little we actually know about the rampant behavior of cells and tissue which men call cancer. The "cobalt bomb" was not a certain cure, even though nuclear fission had made it possible. It was a hope—a faint hope, though nonetheless genuine. And as I stood outside the vault of concrete and lead where the rays

from a tiny inner cylinder of plutonium were working their mission which might mean life or death, I wondered why the richest Nation on earth was not investing more of its effort, resources, and wealth toward the possible liberation of mankind from cancer. Surely few battlefronts could be more crucial.

Cancer is a threat which hangs over us all from the bassinet to the tomb; yet we spend far less attempting to solve it than we do, for example, on the fittings for one aircraft carrier of the *Forrestal* class.

As the radiologist and I peered through the narrow window at the young woman on the table, few things loomed as important as cracking the terrible riddle of cancer. All else—politics, money, personal ambition—faded into comparative insignificance.

What America needs today is a crash program of medical research. It should be a program proportionate to the \$40 billion which we seem able to spend annually on weapons of war. What war, after all, can compare with that against cancer, heart disease, mental disturbances and other sinister maladies wracking mankind?

Mike Gorman, 43-year-old executive director of the National Mental Health Committee, points out that, despite its inadequate support from governmental appropriations, medical research during the past decade has added five years to the life expectancy of the average American. Translated into earning capacity alone, the people whose existence has thus been prolonged have paid seven times as much into the Treasury in personal income taxes as has been invested in the United States Public Health Service. And Gorman adds this further heartening note:

"In an age when the Communists and their satellites outnumber the forces of the free world by better than 2 to 1, medical research has bolstered our manpower resources and increased our productive strength. It has reduced immeasurably the tragic toll of human suffering."

Yet in the Congress, as well as the public at large, still think in pygmy terms with respect to combat against disease. Unhesitatingly, we will spend billions for tanks or battleships or bombing planes. By contrast, we are stingy with mere millions when sickness is the enemy, rather than a foreign foe. And when we contemplate that the United States Government is spending \$48 million on the National Cancer Institute as contrasted with \$10 billion on naval vessels, we must keep in mind that it takes \$1 million multiplied 1,000 separate times to mount up to just \$1 billion.

Nor was even the \$48 million investment achieved for the onslaught against cancer without persistent and tireless effort on the part of certain Members of Congress.

When I was a candidate for the Senate in 1954, few topics held audiences more attentive than my insistence that Federal expenditures for medical research generally—and in the field of cancer in particular—should be increased many times. I even proposed an ultimate outlay of \$1 billion for cancer research alone, if necessary. This statement was repeated by me at trade unions, civic clubs, Eagle Aeries, Grange halls, before veterans' groups, and women's organizations. It drew almost universal support and interest, especially when people learned that we were then spending \$63,980,000 on the Inter-American Highway and only \$24,978,000 on cancer research. Was greater knowledge of mankind's grimmest killer a mere 38 percent as urgent as the Inter-American Highway through distant jungles?

As a newcomer to the Senate, I have served as a private in the ranks of an all-out attempt to bolster our attack against the disease which is nearly the equivalent of a death sentence to all afflicted by it. Leaders in this effort were members of both major political parties—*LISTER HILL* of Alabama, *WARREN G. MAGNUSON* of Washington,

and *WAYNE MORSE* of Oregon, Democrats; and *MARGARET CHASE SMITH* of Maine and *EDWARD J. THYE* of Minnesota, Republicans. Encouragement was received from *CARL HAYDEN*, of Arizona, a Democrat, who is chairman of the Senate Appropriations Committee, and has served in Congress ever since his State was admitted to the Union in 1912.

This bipartisan undertaking brought about the doubling of Federal funds available for cancer research at the National Cancer Institute, from \$24,978,000 to \$48,432,000.

As we worked to achieve this goal, I thought of the fact that man has learned to conquer the air, the waters under the sea, to ascend Mount Everest, and even to influence the weather under certain circumstances. But cancer remains the inexorable assassin. Neither wealth nor fame nor power can stay its ravages. It killed valiant *Babe Didrikzen Zaharias*, Senator *Arthur H. Vandenberg*, Senator *Robert A. Taft*, *John P. Weyerhaeuser, Jr.*, of the vast timber corporation, and many others who still had much to contribute to American progress.

Although a crash program of medical research into the ominous roots of cancer would come too late to prolong their lives, perhaps it might help to spare the cancer victims of a later generation—in our own country and elsewhere in the world. Mercy knows no national boundaries.

MARGARET CHASE SMITH, only woman Member of the Senate, effectively emphasized the disproportionate sums which we spend on frivolities and on grappling with the most dreadful diseases plaguing the human race. Senator *LISTER HILL*, chairman of the Appropriations subcommittee handling health funds, insisted that top salaries in Public Health Service laboratories be increased from \$15,000 to \$20,000 annually. "The productivity of any research organization depends upon the quality of the staff," said Senator *HILL*.

Furthermore during our discussion of health appropriations on the Senate floor, Senator *HILL* assured me that the increased funds for cancer research were not a goal in and of themselves but simply part of an onward march which must continue.

Partly because of the great impetus for an all-out program in the realm of malignant diseases like cancer, research expenditures by the Government for the fiscal year of 1957 also have been vastly expanded in other fields. The National Institutes of Health, located in Bethesda, Md., are now in the midst of their most active 12-month period. Note this contrast in all major classes of appropriations:

	1956	1957
General operating expenses.....	\$5,929,000	\$11,922,000
National Cancer Institute.....	24,978,000	48,432,000
Mental Health Institute.....	18,001,000	35,197,000
National Heart Institute.....	18,898,000	33,396,000
Dental Health Institute.....	2,176,000	6,026,000
Arthritic disease activities.....	10,840,000	15,885,000
Microbiology activities.....	7,775,000	13,299,000
Neurology and blindness disease activities.....	9,861,000	18,650,000
Total.....	98,458,000	182,807,000

Thus, United States Government expenditures for medical research have been increased 85 percent in 1 year. Even teeth and gums had participated in the advance. Yet is this disbursement enough?

In Washington, D. C., our residence has been next door to that of *Dr. Leonard A. Scheele*, a tall 49-year-old man, who recently retired as Surgeon General of the Public Health Service. One sultry evening, seated in our patio over coffee and cake, I asked my neighbor: "Leonard, what is probably the maximum amount of money which the National Cancer Institute could spend in 1 year for research and study, if given reasonable notice in advance?"

The Surgeon General pondered for a moment. "Half a billion dollars," he answered. "What would be the usefulness of that quantity of money?" I asked.

"You would be certain that you could carry on your program from year to year without delay or interruption," Dr. Scheele replied. "Your top doctors and scientists would know their continued employment, at fair and adequate pay, was assured. They would not be tempted to break off their work to enter lucrative private practice. In addition, you could follow every possible lead or hope, no matter how remote or elusive it might seem. You would not have to budget so carefully and pursue only the most promising discoveries. In a war, the military often overspends because it might be fatal to the country to underspend. We could do that in the area of cancer research if we had a billion dollars or even half a billion dollars at our disposal.

The sums which Dr. Scheele and I discussed may loom as fantastic. But are they? Americans spend over \$15 billion a year on liquor and tobacco. They even spend \$230 million for chewing gum and \$116 million for shampoos. Why not twice as much for cancer research as for gum?

Whenever I urge a vast increase in Federal funds for medical research, people invariably inquire about the sums raised for this purpose by voluntary agencies. "Don't they do the job?" is the perennial question.

The voluntary agencies do a magnificent job. In 1954, for example, the American Cancer Society collected \$21,670,000 in private contributions and the Damon Runyon Cancer Fund an additional \$1,751,000. Organizations such as the Eagles, the Veterans of Foreign Wars, the AFL-CIO, and others have helped generously toward this private total of over \$23 million. Yet only \$7,189,000 of the private donations were allocated for research. The rest had to go—and properly so—for the treatment of pitiful and agonizing cancer cases in families lacking sufficient financial resources for their care. It is obvious, therefore, that the Government must carry on the major responsibility in cancer research, or it will not be carried on at all.

Research into all potentially fatal diseases, and particularly cancer, is one avenue for liberating mankind from a grim fear and a painful reality. Should not our Government share in such a responsibility? We would scoff if some official in our town proposed that the fire department be entirely reliant on voluntary contributions. Yet which is the most imminent menace to the average person, fire or cancer? Ask a cancer sufferer.

Although I have been a legislator at both the State and national level, I still am unable to fathom the legislative mind when it comes to this vital human problem. Such famous Senators as Taft, Vandenberg, and Wherry have been fatally stricken by cancer. Yet the Senate will move with alacrity to vote \$4 billion for B-52 bombing planes, but it can cavil over barely more than 1 percent of this for cancer research. We will appropriate limitlessly to combat the foe we can visualize, whether it be the Soviets, Nazis, or imperial Japanese. But stinginess and hesitancy cloud the picture when the enemy is an insidious disease which strikes silently and invisibly, but nonetheless murderously.

As a member of Oregon's House of Representatives, my wife had to struggle for almost 4 months to persuade her colleagues to vote a trifling \$80,000 for pilot courses aimed at rehabilitating retarded children. The lack of trained teachers and classes for these unfortunate youngsters brings heartache to thousands of families. It also dooms the children to lives of public dependency and helplessness. Skilled teaching can enable them to read, to play happily, to feed themselves, maybe even to work at a trade. Yet Mrs. Neuberger, herself a former teacher

of physical education, found the legislature quicker to appropriate \$150 million for roads and highways than a tiny fraction of this for retarded children.

One night during the 1953 legislative session, when her retarded-children bill languished in committee, she said to me desperately, "It's easier to get funds for inanimate objects than for human beings. It hardly seems possible that human beings do the voting on these appropriations."

Yet this mental block on the part of legislators may be waning. Under the leadership of an Eagle Congressman from Rhode Island, JOHN E. FOGARTY, Congress has just allocated over \$2 million for programs aimed at rehabilitating retarded children. Another goal of the program is to try to discover why some children have congenital defects which render it difficult for them to lead normal lives. This sum is by far the most generous benefaction ever set aside for such a purpose. In his campaign for the children's funds, Representative FOGARTY had the active and fervent support of a fellow Rhode Island colleague, Congressman AIME J. FORAND. Mr. FORAND is likewise a faithful member of the Eagles.

Slowly but inevitably, Americans are coming to realize that every dollar invested in medical research can be amortized in longer, happier, and healthier lives.

Some of this understanding is due to the leadership of a remarkable and attractive woman named Mary Lasker. She has used the fortune inherited from her late husband to encourage study of the ailments which cripple and kill people. The Albert and Mary Lasker Foundation gives substantial awards each year for achievements in the area of psychiatric and medical research. Writers and journalists, for example, are rewarded for outstanding contributions on these topics. Mrs. Lasker also helps to support such projects as the National Mental Health Committee and the New York Memorial Hospital for Cancer and Allied Diseases.

Each of us sees illness only as an isolated occurrence. It may happen to us or to a loved one. This is tragic, but we still do not see how it affects America as a whole. How many realize that mental sickness deprived our Armed Forces of over 2,500,000 young men in the prime of life during World War II? Are we aware that more than half the hospital beds in the United States are required for mentally disturbed men and women, and that even these are not enough? On the Senate floor I pointed out that "almost 2½ times as many people died of cancer during World War II as were killed in action in all our farflung battles over the face of the world. Furthermore, in 1 year cancer killed nearly 10 times the number of Americans who were killed in action throughout 3 years of the war in Korea."

Medical research has begun to unlock some strategic doors. The Salk antipolio vaccine is a sample of what prolonged and well financed medical research can accomplish. The vaccine is not perfect, but it provides children with 70 to 90 percent protection against the crippling havoc of infantile paralysis. We take for granted today such antibiotics as penicillin, streptomycin, terramycin, and aureomycin. All are the products of medical research. They have helped to reduce the death rate from tuberculosis 73 percent, from kidney diseases 60 percent, from pneumonia 43 percent. As a result, the life expectancy of the average American increased from an age of 60 in the year 1937 to 68.8 by 1953. Phenomenal new discoveries with respect to the fat content of diets may contribute toward cutting down fatal heart disease in the decade ahead.

These developments, it seems to me, are overwhelming arguments for vast expenditures in medical research. What can be more important than human happiness and human life? These are geared directly to

good health. For a country spending \$40 billion a year for armaments, there is no sum too high to invest in the well-being of its citizens. I still recall what my wife Maurine said to me when she was fighting for a paltry \$80,000 in the Oregon Legislature, to spend in behalf of retarded little children.

"The beasts of the field on my mother's farm will do anything for their young," she said. "Can we look the next generation of human beings in the face if we have not done everything possible for them in the vital area of sound bodies and medical care?"

SEVENTY-FIFTH ANNIVERSARY OF COVENANT CONGREGATIONAL CHURCH, PROVIDENCE, R. I.

Mr. PASTORE. Mr. President, in the State of Rhode Island we are intensely proud of our religious institutions and our religious freedom. Ours is a State of historic tolerance, a sanctuary for all religions, made so by the settlers, who from the very first, agreed to be bound by their Government only in civil things.

Our charter of 1663 declares that "we hold forth a lively experiment that a most flourishing civil state may stand and be best maintained with full liberty in religious concerns."

In those early days, Cotton Mather, looking through Congregationalist eyes, remarked that Rhode Island colonists "gave one another no disturbance in the exercise of religion. Never was held such a variety of religions," he said, "on so small a spot of ground as have been in that colony."

Almost two and a half centuries after the founding of our colony there came into being the Covenant Congregational Church of Providence. This very week—on Saturday, February 23—that church will celebrate 75 years of distinguished service to its members, to their city, and to their State.

It has always been a church in the heart of Providence—in the heart of the city materially and spiritually. It grew from modest rented quarters at 70 Weybosset Street—a most busy thoroughfare—to its present attractive edifice at Franklin and Hoyle Streets, which is still close to the heartthrob of our bustling city of Providence.

As Rhode Island always had a welcome to the stranger—this church had a special welcome to the newcomer—to the immigrant from Sweden who came to strengthen our land with his skills and to maintain our land through his loyalty which is the proud record of his citizenship.

This early chapter is one of the heartwarming memories as both church and community can look back to the distinctive contributions made to the better being of our city and State by these high-minded and stouthearted additions to the American scene. This is the story of all the membership of Covenant Congregational Church, whether they came from near or afar.

But I am happy to note that singled out for special recognition are those members with 50 or more years of golden service. The program assures us that the pastors of old will be recalled—and their sacrificing wives will be remembered—while the documented past is

only a promise of their dedication to the future, toward the common well-being of our community.

No wonder, then, that all Rhode Island, without distinction of creed, rejoices at the record and extends to Pastor Paul B. Fryhling and through him to every member of the congregation, the felicitations and good wishes of all in the light of their contributions to the greater good of the thriving city of Providence in the tolerant State of Rhode Island.

Mr. MORSE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. MORSE. Mr. President, I wish to rise and say that as a Congregationalist I appreciate the tribute which the Senator from Rhode Island has just paid to the historic church which he has mentioned. I think it is characteristic of the Senator's dedicated State that in this country we are free of religious intolerance. I wish the Senator to know that I am sure Congregationalists generally will be honored by the fact that it was the Senator from Rhode Island who paid this tribute today.

Mr. PASTORE. I thank the Senator from Oregon, and I wish to say that I rejoice in the sentiment he has expressed.

WELCOME EXTENDED TO MONTANA FARMERS' UNION CARAVAN

Mr. MANSFIELD. Mr. President, once again Montana has sent caravans to Washington to find out how Congress works and, in general, to become more familiar with and better informed about matters affecting their interests and welfare in the Nation's Capital. This year Montana has had 3 caravans comprising approximately 75 persons in each one. These are members of the Farmers' Union, many of whom I have known for years and for whom I have great respect. They have made great contributions to the building up of our State and Nation. I think they are typical of the family-size type farmers and ranchers and I know of their great interest in farm legislation and matters affecting their economy.

It has been both pleasant and worth while for the Montana delegation, headed by our distinguished senior Senator [Mr. MURRAY], Congressmen METCALF, ANDERSON and me, to meet with this and the preceding groups. We have learned much and we are sure that the folks from Montana have benefited as well.

I should like at this time to call the attention of the Senate to the fact that the third of this year's Montana caravan delegations representing the Farmers' Union is in the Chamber, and I would ask this group to stand at this time so that they may be recognized.

(The members of the caravan delegation rose, and were greeted with applause.)

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIRTY-NINTH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. McCARTHY. Mr. President, 39 years ago, on February 16, 1918, Lithuania proclaimed her independence, an independence that was won after more than 100 years of subjugation by the Russian empire. During her brief span of independence, Lithuania's progress in all fields of endeavor—social, cultural, economic, and political—was exemplary, and she took her place among the democratic nations of the world. Unfortunately, after a brief 22 years of independence, from 1918 to 1940, Lithuania was again seized by Soviet Russia. Today there is no independence in Lithuania, no flags are displayed, no anthems are sung. Since 1940 the Lithuanian people have lived a life of uninterrupted horror. No visitors are permitted to enter the country, and no one is permitted to leave. Lithuania itself has become a Soviet concentration camp, its inhabitants the victims of a persecution devoted to the extermination of the last vestiges of Lithuanian national life.

I think it is fitting, on the anniversary of the declaration of Lithuanian independence, that we in America once again declare our full support of the Lithuanian people in their fight for freedom.

We are confident that these determined and courageous people, having once known the overwhelming satisfaction of living under a democratically constituted government, and having once known the gratification of freedom of worship, will never give up until their country is delivered from its captivity and can once again take its rightful position among the free nations of the world. The Lithuanian people, through their determination and courage, have set a magnificent example for the Free World. They remind us that we can never rest until freedom is restored to all people now living in Communist captivity.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. CLARK. Mr. President, I should like to address myself briefly to Senate Joint Resolution 19, in order to state for the RECORD the reasons why, when it comes to a vote. I shall support the resolution. I do so, Mr. President, at this time because it seems fitting that other and more senior Members of the Senate should have the opportunity to hold the floor as the debate reaches its climax in the days ahead.

Mr. President, I listened with great interest when the President of the United States delivered his special and emergency message on the Middle East to the joint session of the Senate and the House of Representatives. In common, I am sure, with the overwhelming majority of my colleagues in both Houses of Congress, I find myself in substantial agreement with the principle which he enunciated, to the effect that conditions in the Middle East had deteriorated drastically during the past few months and that, despite the rosy picture of conditions in that area which had been painted for the American people during the fall election campaign, the real conditions were, during the past fall, and are today, critical in nature. They are critical particularly because, to my way of thinking, Mr. President, of the ill-advised efforts of our allies, Britain, France, and Israel, to remedy conditions which to them, I am sure, seemed intolerable, by the use of force—force in violation of their obligations to the United Nations.

Mr. President, I was in accord with the action which our country took, through the President, in using the full authority of his office, within the framework of the United Nations, to obtain a withdrawal of the French and British forces, a reopening of the Suez Canal, a withdrawal of the Israeli forces from the Sinai Peninsula and, if she will respect the resolutions of the United Nations, an even further withdrawal.

It seemed to me it was eminently appropriate that, as the President of the United States requested, we should make it clear in no uncertain terms that this country would not permit international communism to move into the Middle East. And so I was predisposed to favor the general policy outlined by the President.

It was therefore with some amazement that I read the original resolution—a joint resolution that would have the force of law—presented by the Secretary of State in alleged compliance with the policy laid down by the President of the United States. Mr. President, with some slight experience as an executive at a very low level in our governmental hierarchy, as mayor of one of our great cities, it has been my observation that when an executive goes to the legislature with a recommended action having such grave consequences as that implicit in the position advanced by the President of the United States in his special message, he has an obligation to the legislative body, through his duly constituted agents—of whom, of course, the principal one in this instance is the Secretary of State—to present to that legislative body not only an overall general policy, but a plan

for implementing it, and a program to carry it out, as well as at least the bare outline of the procedures which will render the policy, plan, and program effective.

Mr. President, the joint resolution submitted to this body and to the House of Representatives by the Secretary of State was none of those things. It was neither policy nor plan nor program nor procedure. The joint resolution is appropriately described in the report of the Committee on Foreign Relations and the Committee on Armed Services as an emergency stopgap. I quote from the report:

The resolution is an emergency stopgap. It is idle to suppose that the actions taken under the authority of this resolution will in themselves bring about peace, security, and stability in the Middle East, and the President recognized this fact in his message to Congress of January 5. But the authority granted by this resolution is essential to provide an atmosphere in which other measures can be brought to bear and to provide time for those other measures to be effective.

The joint committee is concerned that other measures be taken, that they be taken promptly, and that they be adequate to the task. The joint committee expects to be consulted as these measures are developed and applied. But it is not necessary to debate and determine all of these measures in connection with the pending resolution. To do so, indeed, would involve a quite unacceptable degree of delay.

I made it my business to attend as many of the open sessions at which the Secretary of State testified as the pressure of other official business would permit. With the kind permission of the senior Senator from Rhode Island [Mr. GREEN], who is now occupying the chair, I was permitted to attend one or two of the executive sessions of the joint hearings of the Committee on Foreign Relations and the Committee on Armed Services.

I was distressed to observe during those hearings what seemed to me to be a lack of candor as to the purposes of the resolution on the part of the Secretary of State in testifying before those duly constituted committees, each of which has important constitutional obligations to perform in connection with the foreign relations of our country and the state of its Armed Forces. There was a lack of candor in informing those committees as to just what was behind this stopgap resolution.

There was an effort to persuade those committees—and, indeed, the press and the public at large—that this was more than a mere stopgap resolution to discourage the forces of international communism from moving into the Middle East, while a policy, a plan, and a program—which apparently are not yet in existence—could be worked out.

I congratulate the members of the two committees of the Senate which sat long and patiently hearing not only the Secretary of State, but many other witnesses, for the effective job which has been done in rewriting the joint resolution so that it can be presented to the world, not as a great doctrine, not as something of cosmic importance, but for what it is, as described in the report

which the present occupant of the chair, on behalf of the two committees, submitted to this body, namely, an emergency stopgap.

Because it is an emergency stopgap, and because I believe that each of us, regardless of party, without concern for partisanship, should rally behind the President of the United States in giving unequivocal notice to the forces of international communism that we do not propose to permit them to overrun the Middle East, and that we will give military and economic assistance to the countries of the Middle East which request such assistance and which are prepared to resist the forces of international communism, I shall vote for the joint resolution.

I hope that this debate will stress to the executive department the vital importance of moving ahead to prepare and present to the Congress of the United States, to the people of the United States, to the United Nations, and to the entire free world, a carefully thought out and elaborated plan, policy, program, and procedure for giving effect to the responsibilities of our country in that area of great world crisis.

To digress for only a moment, let me say that it was with pride that I noted the announcement, made on the floor of the Senate by the majority leader, of the position of the policy committee of the party of which I have the honor to belong, in opposition to the imposition of sanctions against Israel.

So long as Russia stands before the world unchastised, and with no sanctions imposed, or even proposed or threatened, for the rape of Hungary; so long as the friendly nation of India—with whom I hope our relationship can grow closer—is permitted to defy the resolutions of the United Nations with respect to Kashmir; and so long as Egypt is permitted to ignore the international obligations with respect to the free passage of the ships of all nations through the Suez Canal, to which free passage Egypt gave her consent in 1950, I hope we shall not take the step, on behalf of the United Nations, of punishing Israel for failing promptly to comply with the resolutions of the United Nations, while other countries are permitted to go their way without the slightest attempt to call a halt by the imposition of sanctions for their defiance of that world body.

I hope the joint resolution will pass by a very large majority. It is my understanding that the distinguished Senator from Montana [Mr. MANSFIELD] will propose certain amendments to the joint resolution in the course of the next few days. I know that the distinguished Senator from Illinois [Mr. DOUGLAS] has already filed an amendment to the joint resolution which he proposes to present in due course.

In stating my approval of Senate Joint Resolution 19, as amended, I would not want it to be thought that I shall not give careful consideration to supporting the amendments to which I have referred, because in my judgment they might well strengthen the joint resolution as it is presently drafted.

I am particularly disappointed that we were unable to persuade the President and the Secretary of State to be satisfied with a simple resolution expressing the sense of the Senate, as opposed to a joint resolution said to have the force of law. But I reiterate that I hope the joint resolution, when it comes to a final vote, will receive overwhelming endorsement from Members of the Senate.

Mr. MANSFIELD. Mr. President, I wish to compliment and commend the Senator from Pennsylvania on the speech he has just made. He has enunciated a sound aspect in his understanding of our foreign policy. I know that the Eisenhower joint resolution, as originally introduced, disturbed the Senator a great deal. I am happy to note that in the resolution as reported by the present distinguished occupant of the chair, the senior Senator from Rhode Island, and chairman of the Committee on Foreign Relations [Mr. GREEN], one of the main worries of the Senator from Pennsylvania, namely, the question of constitutional authority, has been relieved by amending the resolution to such an extent that there is now a clear delineation between the constitutional power of the President of the United States, as Commander in Chief of the Army and Navy, and the power of Congress, constitutionally speaking, to declare war. Again I congratulate and commend the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Montana.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF DATE FOR FILING COMMITTEE REPORT

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Can the Chair inform me if Senate Resolution 99, to extend the date for the filing of a report on the investigation of matters pertaining to technical assistance and related matters, was acted on by the Senate today?

The PRESIDING OFFICER. The resolution was agreed to by the Senate.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

AN ALTERNATIVE TO THE APPLICATION OF SANCTIONS AGAINST ISRAEL

Mr. KNOWLAND. Mr. President, this morning, at the White House, a conference was held by the President of the United States with the bipartisan leadership. At that time I made a proposal of a possible alternative to the application of sanctions against Israel. I had not intended to make the proposed alternative public at this time. However, as sometimes happens at a meeting so large as that one, the wire services received information that such a proposal had been made; and they had some accurate information and some information which was slightly garbled, to say the least.

In view of that circumstance, Mr. President, I determined that I would make available the text of the proposed alternative, which was submitted only as a basis for consideration. It is not claimed that it is the only alternative; neither is it claimed that it is necessarily the best alternative. However, when matters of such moment are being considered, I believe it is only fair that those who have objection to a particular course of action should present what they, at least, believe to be a constructive alternative. It is only on that basis that I present the following:

The proposal for consideration was that in the United Nations General Assembly, when it meets tomorrow, the United States Government sponsor a resolution which would:

First. State that all member states have an obligation to comply with their charter obligations, to refrain from aggression and to respect the resolutions of the General Assembly.

Second. Make clear that failure by an aggressor state to comply with the resolution of the United Nations would properly subject the offending state, large or small, to the condemnation of the law-abiding nations of the world; and if persisted in 30 days after the Secretary General has reported noncompliance, it is recommended that economic, diplomatic, and moral sanctions be applied against such offending state or states by the members of the United Nations.

Third. Provide that the General Assembly declare that all Israeli troops should be withdrawn from Aqaba and the Gaza Strip, and these areas to be occupied and administered by the United Nations until, (a) a majority of the members of the General Assembly determine that international peace and order would be served by their withdrawal, or, (b) a treaty of peace is entered into between Egypt and Israel, whichever is sooner.

Fourth. Recommend the establishment of a neutral belt between Israel and the neighboring states with whom an armistice is now in force, this neutral zone to be policed by the United Nations emergency force until the armistice has been supplanted by a treaty of peace between said nations.

LEGISLATIVE PROGRAM— ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, if no Senator desires to address

the Senate at this time, I am prepared to move that the Senate take a recess or adjourn until tomorrow.

For the information of all Senators, I should like to point out that on Friday, no business will be transacted which will require the taking of votes. I am hopeful that any Senator who may desire to speak will avail himself of that opportunity on tomorrow; and that if at that time no Senator desires to speak, the Presiding Officer will have the joint resolution read the third time, and then will put the question on its passage. I am hopeful that it will not be necessary to have the Senate take a recess or adjourn in the middle of the day, when there are still dozens of Senators who desire to discuss the pending question.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Texas yield to the Senator from California?

Mr. JOHNSON of Texas. I yield to my friend from California.

Mr. KNOWLAND. Mr. President, as I did earlier in the day, I wish to concur in the viewpoint expressed by the majority leader. As I pointed out earlier, I have asked the members of our staff to contact the Senators on this side of the aisle, to point out again to them that the joint resolution on the Middle East situation is before the Senate, and to inquire whether they contemplate making any speeches on it; and also to point out that today, tomorrow, and Friday will all be available to them, and that we hope they will make every effort to make their speeches this week, so that we can move into the voting stages of the joint resolution as early next week as the Senate determines and as is convenient to the Members.

I wish to concur in the remarks of the distinguished majority leader, and to join him in a bipartisan spirit in asking that all Members take advantage of the time which now is available, before we might enter a period in which the time would be limited, in the event the Senate determined to enter into a unanimous-consent agreement to that effect.

Mr. JOHNSON of Texas. I appreciate the statement the distinguished minority leader has made.

Mr. President, I desire to repeat that I am prepared to vote on the joint resolution at any time. If, on tomorrow, no Senator wishes to speak on the joint resolution, we shall proceed to act upon it.

Many Senators have told me that they expect to address themselves to this subject, some of them at length. But for 2 days, now, there have been times when it has been necessary to have quorum calls in order to summon Senators to the Chamber. Although I do not wish to appear to be lecturing my colleagues, I do desire to place them on notice, and to be sure that they have the information. For that purpose, I have made twice before today the statement which I have just repeated.

Mr. President, I now move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 6 minutes p. m.) the Senate adjourned until tomorrow, Thursday, February 21, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day, February 18), 1957:

DEPARTMENT OF DEFENSE

Murray Snyder, of Maryland, to be an Assistant Secretary of Defense.

Dewey Short, of Missouri, to be an Assistant Secretary of the Army, vice Chester R. Davis, resigned.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 20, 1957

The House met at 12 o'clock noon.

Rev. Coral Donzel Payne, Protestant chaplain, House of God, Mooseheart, Ill., offered the following prayer:

O God, with whom no one is great, no one is low, but all are equal and near, we thank Thee that Thou dost own us, and claim us as Thy children.

Day by day, life's duties place upon us their obligations.

The hours are filled with much serving, but at this moment we own one right.

We worship Thee. We bless Thee. We thank Thee for Thy goodness and Thy grace.

Thou findest us wherever we are. Thou knowest us whatever we do.

Thou art our comfort even when we feel lost and alone.

Thou readest our hearts correctly.

Let no sufferer believe that he suffers alone.

Let no sinner think that he bears the consequences of his deeds alone.

Let no neglected one decide that he is unwanted by Thee.

In this hostile world, we thank Thee for this body of men who have dedicated their talents to the building and maintaining a strong and free nation; but in doing so,

May we ever be mindful, that it is possible to build a nation of scientific giants and spiritual morons.

Give to us wisdom and endow us with patience, that we may train the youth of our country, so that they may become morally and spiritually capable of controlling the forces we discover.

This we ask in Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Vice President had made the following appointments:

To the Board of Visitors to the United States Naval Academy: Mr. ROBERTSON, Mr. POTTER, and Mr. MORTON.

To the Board of Visitors to the United States Military Academy: Mr. PASTORE, Mr. MUNDT, and Mr. JAVITS.

To the Board of Visitors to the United States Coast Guard Academy: Mr. KUCHEL.

To the Board of Visitors to the United States Merchant Marine Academy: Mr. PURTELL.

To the Board of Visitors to the United States Air Force Academy: Mr. CHAVEZ, Mr. YOUNG, and Mr. ALLOTT.

To the National Monument Commission: Mr. COOPER vice Mr. BENDER.

To the Board of Directors of Gallaudet College: Mr. THYE.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1958

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

CALL OF THE HOUSE

Mr. CANFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Rollcall No. 9]

Boggs	Hébert	Rains
Bolton	Kelley, Pa.	Reece, Tenn.
Bonner	Mason	Rhodes, Pa.
Bowler	Meador	Saund
Celler	Metcalf	Scudder
Dies	Morrison	Shelley
Durham	Moulder	Thompson, La.
Engle	Neal	
Harden	Powell	

The SPEAKER. On this rollcall 409 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1958

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. GARY].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes, with Mr. THORNBERRY in the chair.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first paragraph of the bill. If there are no amendments to this paragraph, the Clerk will read.

The Clerk read as follows:

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14

U. S. C. 751-762; 37 U. S. C. 231-319), including direct expenses and repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or Reserve personnel while on active duty, engaged primarily in administration and operation of the Reserve program; and the maintenance, operation, and repair of aircraft, \$15 million: *Provided*, That amounts equal to the obligated balances against the appropriations for "Reserve training," for the 2 preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to touch briefly on two items that we have now reached in the bill, incorporated in the Treasury budget. One is the Bureau of Customs, which, like the Bureau of Internal Revenue, is a revenue-collecting agency. Last year the Bureau of Customs asked our committee to approve a request for a handful of men to examine the ever-increasing volume of packages coming into our country from abroad. They told us that if we allowed these extra funds for this handful of men, they believed they would return in revenue to the Treasury \$1 million. This year the Bureau of Customs reported that they had actually returned \$2 million. This year they are asking for 40 new men for that same project. Bearing in mind, if you will, that we examine only 1 out of 30 packages coming into our country from abroad, the cost for those men will be \$155,000.

When asked the question, "How much revenue do you think you will bring in as a result of this expenditure of \$155,000?" Commissioner Kelly responded with the figure of \$2 million. So you see, it does not pay to cut this revenue-collecting agency drastically.

I have in my hand a letter from a former Member of this body, Mr. Alfred F. Beiter, who is now president of the National Customs Service Association, and because this letter is of such importance, I believe I should read it to you now:

FEBRUARY 18, 1957.

HON. GORDON CANFIELD,
House of Representatives,
Washington, D. C.

DEAR GORDON: I want to thank you for your understanding remarks about the Bureau of Customs in the minority report on the Treasury-Post Office appropriation bill.

We are particularly disturbed about the deletion of the \$465,000 item for 16 buildings to house customs and immigration facilities in the field. We think it disgraceful that we can afford to send millions to other countries and are unable to provide decent housing for our Federal employees. You can well understand that the amount requested in the President's budget for these buildings (\$900,000 to be shared jointly by customs and immigration), divided between 16 buildings, would provide construction of only the plainest kind of structures, functional in concept and devoid of excessive embellishment and extravagant appointments.

We know you are aware of the outmoded, ramshackle buildings used to house customs and immigration stations on the borders. Some customs employees have no toilet fa-

cilities, others are housed in old sheds and find it necessary to keep a baseball bat handy in order to chase out the rats each morning.

It will be appreciated if you will make mention of this matter on the floor when the bill is discussed on Tuesday. I think the entire membership of the House should know that the committee's action will result in depriving field employees of comforts enjoyed by most other employed Americans. This action was taken despite the fact that customs last year collected gross revenue 14 percent greater than the previous year.

We are grateful for your continuing interest in the customs service.

Sincerely yours,

ALFRED F. BEITER,
National President.

Now the other item, the importance of the Coast Guard Reserve in the military defense of our United States. I am so glad that our committee imposed what may be called a relatively minor cut in this item. The Coast Guard asked for \$16 million and in this bill they are being allowed \$15 million. That indicates a \$1 million cut.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. When Admiral Richmond, Commandant of our Coast Guard, was before our committee, I said this to him:

Mr. CANFIELD. Because of the matter you have just discussed, because of the fact that daily now there is being hammered into our ears the increasing importance of our military Reserve component and their contribution to our national security, will you discuss just briefly, in accordance with that Reserve program, what the situation will be in fiscal 1958?

Admiral RICHMOND. Well, sir, I think I could summarize it this way: As you know, the Coast Guard automatically goes into the Navy in the event of war or in a national emergency. The Navy obviously has war plans, and our war plans are geared to Navy's.

The Navy has assigned us certain duties. From those duties flow our mobilization requirements. Without mentioning those mobilization requirements, there is no way that the Coast Guard can be in a position to meet those requirements without the Reserve.

All of the indications from Selective Service are that it will be at least 2 to 3 months after an emergency is created before the Coast Guard can start drawing, under war-time or emergency conditions, from Selective Service.

Now, then, if you accept that figure and consider that a minimum of 2 or 3 months is required to train a man so that he is of any value to you, it appears that 5 to 6 months would be the earliest that we could augment our forces, in the event of an all-out emergency, unless we have a trained Reserve.

Therefore we have set our requirement at that figure which, by war plans, is our mobilization requirement of M plus 6 months.

I think in the position of the Coast Guard there is another factor that definitely ought to be considered. Particularly because of port security the Coast Guard will have to get people aboard almost within 24 hours or 48 hours if we are going to discharge that function. In other words, it will do no good to guard the ports 6 months after M-day, if in

the meantime they have been open to subversion. We have almost an immediate need that requires a very strong posture on the part of the Coast Guard in building up its Reserve so that we are ready to throw people in to guard the port areas.

One of the primary functions of the Coast Guard of the United States is to search foreign vessels coming into our harbors, notably those from behind the Iron Curtain that could possibly carry unorthodox or nuclear weapons.

After our colloquy Admiral Richmond discussed off the record the awful predicament he would be in in properly protecting our ports and harbors if there were an emergency today or tomorrow. So I hope in the other body this figure we have allowed for the Coast Guard Reserve will remain uncut, this because it is so important to the security of our people.

The Clerk read as follows:

OPERATIONS

For expenses necessary for the operation and administration of regional and district offices and post offices, not otherwise provided for, including uniforms or allowances therefor, as authorized by the act of September 1, 1954, as amended (5 U. S. C. 2131); for settlement of claims, pursuant to law, current and prior fiscal years, for losses resulting from unavoidable casualty (39 U. S. C. 49), and for other activities conducted by the Post Office Department pursuant to law; \$2,290,000,000: *Provided*, That not to exceed 5 percent of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration and Research", shall not be increased by more than \$2 million as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

Mr. CANFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 11, line 12, strike out "\$2,290,000,000" and insert "\$2,319,000,000."

Mr. CANFIELD. Mr. Chairman, I do not think it is necessary for me to take much of the time of the House to elaborate on reasons why I propose this amendment at this time. The merits and demerits of this bill were thoroughly discussed on this floor yesterday, and I pointedly directed my remarks in my main discussion of the bill to what a cut of \$58 million would mean in postal services to 170 million Americans. Since the debate yesterday, Member after Member has come to me to say this: "CANFIELD, it is unfortunate that the Treasury and Post Office Departments appropriations bill for 1958 is the first bill to be considered by this body. We know, as you said yesterday, that historically down through the years, this bill has not lent itself to severe or drastic cuts." I said yesterday in my remarks that this bill providing for a \$58 million cut, if sustained in finality, represented

the biggest postal service money cut in all the history of the Post Office Department. I was challenged, in a way, after I made that remark, and one gentleman arose to say, "Mr. CANFIELD, that is not so. For fiscal 1954, there was a cut of \$74 million by this body." Now, I challenged that statement because it is not so. The truth is as follows. The Truman budget was before us as we met that year. That was the only budget we had to consider. But, the new team in charge of the Post Office Department led by Mr. Summerfield indicated there would be a drastic revision of that budget, and they sent down a new and revised budget that cut out \$72 million. We, in this body, and we in our committee imposed a cut of \$2½ million and not \$74 million.

Members coming to me have indicated that they would support a partial restoration of funds. They say, in effect, "We want to operate on every bill, if we can, and effect some savings and some economies. We do not want to vote for a full restoration of \$58 million. We will be for partial restoration." So, I am here adding \$29 million to postal operations. So that all of these services, which I described yesterday, would not be crippled, as I indicated; so that there could be in the new fiscal year some few extensions of deliveries into suburbia and so that, perhaps, it would not be necessary to restrict Saturday mail deliveries in cities to first-class mail only and so that it would not be necessary to reduce mail deliveries in business sections to two-a-day and to eliminate the sale of money orders in all except country post offices and to eliminate postal savings and so forth. This amendment is for restoration of one-half the fund cut by our committee.

I want to tell you something interesting about the budgets we are now considering. We have a budget for the legislative branch of the Congress. We are talking about dollar and percentum increases. Do you know how great an increase there is in the budget for the legislative branch, the Congress of the United States, over and above what it was 2 years ago? I will tell you the percentum increase. It is 43 percent.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. CANFIELD] has expired.

(By unanimous consent, Mr. CANFIELD was granted 5 additional minutes.)

Mr. CANFIELD. A 43-percent increase in the legislative budget, a larger increase than in any other budget that we will probably consider this year.

What are the mechanics for developing and considering the legislative budget? Our budget as we prepare it in the House is practically sacrosanct. By tradition and by custom down through the years the Senate never touches the housekeeping figures of the House, nor do we in the House touch the Senate figures in any way. As far as we are concerned they are sacrosanct. Also, as far as the Budget Bureau is concerned, they are sacrosanct. The Director of the Bureau of the Budget appeared before our committee not long ago and said:

All I do when I get the legislative branch is to incorporate it in the overall budget.

I am not permitted to make any review of that budget.

In that budget, Mr. Chairman, are millions and millions of dollars for capital improvements, for new structures, for modernization which we, in this \$58 million cut in the Post Office Department, are denying the Post Office Department. It is going to be an interesting test when we have the legislative budget before this body, to see if this economy demand is going to stand up. Just look at that budget and say to yourself, if you can, "I am being fair, as I act upon the request of the Post Office Department here today."

Mr. Chairman, I cannot believe that this House will ever pass the buck to the other body and say it is not prepared to do a real, honest-to-goodness, realistic job respecting the budget now before us. I say to you also that the 170 million postal patrons of the United States are not going to stand for this cut of \$58 million.

Now, when will that cut be imposed, if it is necessary, by Mr. Summerfield and his group? I will tell you when. It will be imposed early next July, at the beginning of the new fiscal year, when you and I are going home to sojourn for a few months with our people, and look in the eyes of many who will say, "Our postal service has been cut, Mr. Congressman. It is deteriorating to a new low. Wherefor? Wherefor? Did you perchance have anything to do with the job?"

Mr. Chairman, I plead with my colleagues in the House to look at this matter realistically and, acting in good conscience, do the right thing.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. GARY. I wonder if we could get some agreement as to the time for debate on this amendment?

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes, the last 5 to be reserved to the committee.

Mr. GROSS. Mr. Chairman, reserving the right to object, I wonder if the gentleman can tell us why we are in such a hurry to close debate on one amendment?

Mr. GARY. As I understand, there are other matters to come before the House. Certainly I have no desire whatever to restrict the membership, but I would like to have some understanding.

Mr. GROSS. I do not think this debate is going to be prolonged. Why does not the gentleman let the debate proceed?

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CORBETT. Mr. Chairman, I object.

Mr. CURTIS of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am rising in opposition to the amendment, and I base that opposition upon the statistics and figures that we find on page 11 of the report in the item that lists the volume of mail pieces for the years 1956, 1957, and that

estimated for 1958; the special services transactions, and employment man-hour figures.

You will notice that under this bill, before it was cut, the amount of increase for employees in the Post Office Department was proposed to be 2.93 percent, or, roughly, 15,000 additional men. At the same time the figures of the increase in the amount of mail handled is less than that figure.

I want to point out that the Congress has not increased the number of services that the Post Office Department will be rendering to our people. As a matter of fact, the Post Office Department has continued to increase its productivity; that is, each man working can produce more work per hour, and that should be reflected in the need for employees. Essentially we have the situation that the increased population of the country does require some increase on the part of the Post Office Department, but the increase of population is only 1.6 percent. There should be some relationship between the number of people being served and the number of employees required to serve them. Actually, we should be cutting more out of this bill than we are, but I cannot find out where to offer an amendment to accomplish that purpose.

The Post Office Department ought to be able to perform the services it is now rendering to the people with the same number of personnel instead of an increased number. When you multiply 15,000 additional people by the average salary shown in these hearings of \$5,000 per man, it makes an amount of \$75 million that is being added to this budget by way of increased employment.

Those are your overall figures; and I submit that on the basis of that the argument of the gentlemen from New Jersey that the Post Office services will have to be curtailed just falls of its own weight. I can only hope that in the other body they will make a further cut in the total and try to figure out why it is that the Treasury Department, the Post Office Department, and all the other agencies provided for in this bill, cannot handle their jobs with the same number of personnel when we are not asking them to increase their services. This is especially true with productivity per employee increasing throughout the Government services and throughout the civilian economy. Just on that basis alone I think anyone here who is interested in getting this budget in line ought to be against this amendment, and that wherever we can cut we should.

One final point. You will notice that the increase in personnel for 1956 was only 1.09 percent. Then last year, and this is taken from the 1957 estimate, the increase was less than 1 percent—seven-tenths percent. Yet this year, the very year in which we should be exercising economy, it jumps from seven-tenths percent to 2.93 percent. It just does not make sense and I submit on that basis we ought to vote down the amendment. Let us hope that the other body will find out the other spots in this bill where this proposed increase in personnel can be cut back further.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I am sure the gentleman from Missouri has not read the hearings wherein the Department points out that year after year—this is history—they have had to pay for an increased volume of mail. The volume of mail during the current fiscal year is more than they originally anticipated. That is why they are in here asking for a supplemental appropriation.

Mr. CURTIS of Missouri. If the gentleman will look at the figures on page 11 of the report, the volume of increase in mail for 1958 estimate is less than the percentage increase in personnel. Last year, 1957 estimate, the increase was 2.8 in volume of mail, while the increase in personnel was only seven-tenths percent. One of the points I am making is that the productivity increase should take care of this additional volume if the Post Office Department is doing the job they are alleging they are doing in increasing the productivity per man-hour.

Mr. CANFIELD. The gentleman must bear in mind that all of the funds for operations in the main have to do with salaries for carriers and clerks. The letter carriers go to every home. How is he going to increase his productivity?

Mr. CURTIS of Missouri. I am talking about your increase in personnel overall, which is 15,000 men. That is about 3 percent. There seems to be no justification for an increase in the amount of personnel over last year when no additional service is going to be performed.

Mr. CANFIELD. But there are additional services. For instance, 5,000 new carrier routes to be established, some of them in the gentleman's own district.

Mr. CURTIS of Missouri. The gentleman was down here telling us how we were cutting out rural post offices where we saved personnel. If we are increasing the productivity and if we are going to do the job properly, we ought to be able to do it with the same amount of personnel that we have now. I wish I could find a place to offer an amendment to cut the remaining increase in personnel.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to assure the gentleman from New Jersey that I am going to support his amendment and I am going to tell the Members of the House why I shall do that.

No. 1: The people in my district want better postal service, not poorer postal service. We will not get better postal service by cutting appropriations for the Post Office Department.

No. 2: Last year I offered an amendment on the floor of the House to cut the appropriations for what is known as foreign aid. That received a token vote only on both sides of the aisle. I am serving notice on the House right now for whatever it is worth that so long as we contribute \$4 or \$5 billion to throw into every corner of this earth, I am not going to vote for any measure that will restrict the services that the Government renders to the people of these United States who pay the taxes.

No. 3: The President submitted this budget. He said what he thought it would take to run the Government for

a 12-month period. Later, since he submitted it, he has stated it is too high. The Secretary of the Treasury has said it is too high. If they know now that it is too high, they knew when they were offering it that it was too high.

Now, if we Democrats cut it and then have complaints about the service, the Republican orators will go the length and breadth of this country saying "The President said in his budget what it would take, and the Democratic controlled Congress would not let him have the money." Now, I am not very smart, but I am too smart to walk into a trap like that.

Mr. CORBETT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I believe very definitely that the entire \$58 million should be restored to this appropriation measure. Naturally, I am going to support the increase of \$29 million, because then it will only require that we come in with a supplemental bill for approximately \$29 million about midway through the fiscal year.

The gentlemen who argue that there is no need for increased funds in the Post Office Department seem to ignore the fact that we are building approximately 1 million new homes in this country every year; that the population of the country is increasing; that there has been a rapid movement out of the city into the suburban areas which will require some 5,000 new delivery routes at once.

We recognize also that there may have to be adjustments in postal salaries. Likewise we recognize that there may have to be adjustments in transportation costs and the like. But, let us note this fact—and I would like my good friend from Virginia to correct me if I am wrong—that actually when we get down to the realistic figures the amount of money being appropriated with this \$58 million cut is less money than the Post Office Department received last year. On the advice of Mr. Stans, of the Post Office Department, I want to say this, and I want the gentleman to listen to these figures and correct me if I am wrong.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. Not until I have completed my statement.

Mr. GARY. The gentleman asked me to check the statement. The gentleman's statement is not correct.

Mr. CORBETT. Well, I have not made it yet. The gentleman must have a crystal ball before him.

Mr. GARY. The gentleman said that this bill gives them less money for next year than they have this year, and that is not correct.

Mr. CORBETT. I want the gentleman to listen to these figures and see whether they are right or wrong. The bill actually asks for \$76 million more than the appropriation bill last year provided. Is that correct?

Mr. GARY. The bill provides for \$207 million more than they had last year.

Mr. CORBETT. \$207 million more?

Mr. GARY. Yes.

Mr. CORBETT. The figure which the Post Office Department gave me was \$76 million more, and then they said that

\$31 million of that was mandated cost from legislation last year. Then they said there was pending a supplemental appropriation bill for the current year of \$46 million, which means that the Post Office Department actually would receive, under this bill, \$2 million less than they received in the bill last year, plus the supplemental bill. Is that not correct?

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman takes into consideration and the gentleman from Virginia does not the pending \$53 million request for supplemental funds.

Mr. CORBETT. That is correct.

Mr. CANFIELD. To carry the Post Office Department through the current fiscal year. Now, the gentleman is right about mandated requirements. I believe the gentleman from Virginia yesterday pointed out that the figure was not \$76 million more; that it was \$44 million more, having in mind those 3 mandated requirements as the result of congressional legislation.

Mr. CORBETT. Then, does not that add up to the fact that last year the appropriation, plus the pending supplemental, minus the mandated cost, would be—

Mr. GARY. Mr. Chairman, if the gentleman would not mind an interruption, there is no pending supplemental.

Mr. CORBETT. Why would the Department inform me that they made the request, then?

Mr. GARY. The Bureau of the Budget has never made any recommendation, and no request for supplemental funds has come to the Congress.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent (at the request of Mr. CANFIELD) Mr. CORBETT was given permission to proceed for 5 additional minutes.)

Mr. CANFIELD. Mr. Chairman, would the gentleman yield to me?

Mr. CORBETT. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Chairman, I am sure the distinguished chairman of our committee, the gentleman from Virginia [Mr. GARY] wants to be fair about this supplemental request. Of course, there is no supplemental request before our committee at this time. But he knows, as every member of the subcommittee knows, that there is pending a supplemental request before the Bureau of the Budget which expects to act on that request in March of this year. That request is for \$53 million.

What is the Department doing today? It is borrowing funds from its fourth-quarter apportionment in order to normalize the postal activities in the United States. And come the fourth quarter, they are going to be sadly out of funds, and in order to carry through without the supplemental moneys they will have to have payless working days. I know my chairman is not going to challenge that statement.

Mr. CORBETT. And there is this also; if the Post Office Department owes the

money, we are going to vote to pay the bills. The gentleman knows that that is so.

Mr. GARY. Mr. Chairman, would the gentleman yield to me?

Mr. CORBETT. I yield to the gentleman from Virginia.

Mr. GARY. Can the gentleman from New Jersey say to this body how much the Bureau of the Budget is going to request of the Congress for this year in a supplemental?

Mr. CANFIELD. Of course, I cannot.

Mr. GARY. Exactly. Thus far there is no request. The matter is pending before the Bureau of the Budget. They may not allow any of it. Nobody knows what the Bureau of the Budget is going to do.

Mr. CORBETT. Of course, we do not know for certain. We cannot even predict that the Congress is going to meet tomorrow, but we may be pretty sure of it.

Mr. CANFIELD. Mr. Chairman, would the gentleman yield further?

Mr. CORBETT. I yield.

Mr. CANFIELD. Mr. Chairman, we discussed this supplemental item in our hearings. But you cannot find anything about it in the report of the committee. That is entirely discarded from consideration and it cannot be. The chairman of our committee knows that we have got to supply additional funds for the fourth quarter. He does not know how much and I do not know how much, but I have some information to the effect that the Department insists that it cannot get along with less than \$45 million.

Mr. CORBETT. Mr. Chairman, the gentleman has made a real contribution, and I should like to make one final point or two before my time expires. One thing is sure—there is going to be a request for increased postal rates. Certainly we are not going to be able to justify any increase in rates if we are going to decrease service to the American people, because the big complaint now is that the service is not what it should be. Secondly, on the argument of economy, here is one part of the Government whose services have to expand because population is expanding and business is expanding. A cut in appropriations for this Department is not analogous to a cut in any other appropriation bill. Hence I say that in this case we are hoping to restore \$29 million of the \$58 million, so that if we do, we will be just about half right and we should remember also that we will be half wrong.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman.

Mr. CURTIS of Missouri. In my remarks I tried to point out that the increase in the population was 1.6 percent, but the increase in the employment figures was 3 percent.

Mr. CORBETT. But the gentleman ignored the increase in volume of 3 to 4 percent which is anticipated.

Mr. CURTIS of Missouri. No, no; those figures are right in here.

Mr. CORBETT. You are for increasing productivity of the postal employees, which has been going up year after year

after year after year. You expect to grind out of those individuals more work in order to justify a little further cut in the budget here.

Mr. CURTIS of Missouri. No, no.

Mr. CORBETT. I believe the gentleman knows that this work is mostly hand work. You cannot do it by mechanical means.

Mr. CURTIS of Missouri. Not according to the hearings and what the Post Office Department has said about their mechanized equipment. And I have seen some of it in my own post office in St. Louis.

Mr. CORBETT. Undoubtedly they are doing everything along that line for which we give them sufficient money to do. But right here we are going to cut down the amount of money, some of which may be available for mechanical equipment and at the same time we are asking increased productivity of the personnel.

Mr. CURTIS of Missouri. I am only talking about the increase in your employment which is a 3-percent increase as against a population increase of only 1.6 percent.

Mr. CORBETT. But your volume of mail is going up 3 to 4 percent. However, I appreciate the gentleman's point of view.

Mr. BUDGE. Mr. Chairman, would the gentleman yield?

Mr. CORBETT. I yield to the gentleman.

Mr. BUDGE. It would seem from the colloquy that we have had here that shortly there is going to be a supplemental request by the Department. Why can the appropriation not be reduced at this time and if the Department is in dire straits a year from now as has been suggested here, consider a supplemental in February or March of next year?

Mr. CORBETT. Because of the rule on deficiencies which puts them into a straitjacket during the first two quarters of the year. Services would have to be cut. They have to know now what they are going to have to work with.

Mr. Chairman, I hope the gentleman's amendment prevails and I hope when this bill comes back from the Senate the entire amount will have been restored.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I certainly do not claim to be an expert on fiscal matters, but since you have been talking about figures I am going to read some figures in regard to this matter, and will ask the distinguished chairman if these figures are not correct.

We all know that the Post Office Department has requested an appropriation of \$3,250,000,000. The committee recommended \$3,192,000,000, or a cut of \$58 million.

Following is an analysis of the current postal budget, as I understand it:

The appropriation for 1957 is \$2,984,340,000. The deficiency request pending, needed to complete 1957, is \$53 million. This makes a total for 1957 of \$3,037,340,000.

That was recommended by the Appropriations Committee for 1958 \$3,192,000,000 which is an actual increase granted of \$154,660,000.

However, the mandatory items in the budget necessitate the following increases in 1958:

Contribution to the Civil Service Retirement and Disability Fund, \$131,482,059. Two hundred and sixty-first working day in 1958, \$6,552,042. Within-grade promotions, \$24,523,679. Biennial payment of surety-bond premiums, \$400,000. This makes a total of \$162,957,780.

On the basis of current operations and deficiency requested, the committee recommendation is for an actual cut of \$8,297,780.

Mr. CANFIELD. If the gentleman will yield, those figures are correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I will yield in just a moment, but let me finish reading these figures. I will be brief.

For the Bureau of Operations, the Department requested \$2,326,637,000. The committee reduced this by \$36,637,000, to an amount of \$2,290,000,000. The following is an analysis of the appropriation for operations:

Appropriation for 1957, \$2,126,730,000. Pending supplemental request, \$47 million. Total for 1957, if request is granted, \$2,173,730,000. Recommended by the Appropriations Committee, \$2,290,000,000. Increase in appropriations, \$116,270,000.

Required to meet mandatory items:

Contributions to civil-service retirement, \$117,420,000. Within-grade promotions, \$22,250,000. Two hundred and sixty-first working day, \$5,775,000. The total is \$145,445,000.

The actual reduction in money available for operations is \$29,175,000.

Now, are or are not those figures correct or substantially correct?

Mr. ABERNETHY. Will the gentleman repeat those figures?

Mr. MORRIS. May I make this one observation, and I will conclude. I understand those figures are correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman has used the figures set out in the report of our committee. There is nothing new about them, except he has added to them the supplemental request of \$53 million which he says is pending, and which is not pending before this body at the present time. No one knows what that amount will be, or no one knows whether there will be a supplemental appropriation. It has not yet been acted upon by the Bureau of the Budget.

If the Post Office Department is so anxious to present that figure, and certainly the two branches of Government work together, they should have sent their request to the Congress in time for it to have been considered in this report. Certainly, we cannot consider on the floor of this House budget requests that have never been presented to the Congress. We do not know whether they will be presented or not.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MORRIS. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. CANFIELD. May I say to my friend the gentleman from Oklahoma, the Deputy Postmaster General was not hiding the facts of life about this supplemental appropriation. He discussed them and presented them to our committee. He indicated most assuredly that they were pending in the Bureau of the Budget, but if we do not grant that supplement in main, we are going to be in the worst postal fix that this country has ever been placed in because the department has been borrowing, as it can under the law with the approval of the Director of the Bureau of the Budget, from this fourth-quarter apportionment. It does not have the funds to do a normal job in that quarter without this supplemental, in the main.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. Mr. Chairman, I must decline to yield until I make a short statement.

On February 17, the Census Bureau announced that the population of this country had reached 170 million. Estimates by economists predict that there will be 950,000 new homes in America in 1957. How are we going to serve those new homes if we cut this budget? That is the question I ask.

Mr. FULTON. Mr. Chairman, I move to strike out the last word and rise in support of the Canfield amendment.

Mr. Chairman, I strongly support the Canfield amendment. As a matter of fact, I had prepared an amendment to reinstate the whole \$58 million cut in the Post Office Department appropriation for the coming fiscal year. So mine is the position of fully backing the Eisenhower administration on the budget amount submitted as well as the request of the Post Office Department.

I feel this—that if Congress cuts deeply essential services in as vital a department as the Post Office Department, we will be laying up future trouble. The postal employees have efficiently and well performed the mail and delivery service, and they have efficiently done it over the years without strike or delay or halt. These United States postal employees have performed all through the years so regularly that we United States citizens just simply assume good service from the Post Office Department and from the postal employees. Each of you gentlemen in Congress knows how quickly you get a letter if somebody misses their postal deliveries once or twice from the Post Office Department. Even if there is simply a late delivery of mail, the public complains at once, so you know that is how closely our postal service is watched.

I have asked the Post Office Department if this cut of \$58 million in the Post Office appropriation stands just where

the places might be that the cuts might be made and I would like to give it to you. They say these are the places.

The Post Office Department says it will be necessary to reduce the Post Office Department employee force for the coming fiscal year by approximately 10,000 vitally necessary jobs by several methods.

Mr. GARY. Mr. Chairman, will the gentleman yield? Would the gentleman state who in the Post Office Department made such a ridiculous statement as that?

Mr. FULTON. Well, the special assistant to the Postmaster General and the Director of Public Relations made it yesterday to my office.

Mr. GARY. He talked to me and he did not tell me anything like that.

Mr. FULTON. You have not heard the full statement of the figure which I am about to make.

Mr. GARY. The gentleman mentioned 10,000 employees.

Mr. FULTON. Just a minute, please, that is not all that I intended to say in explanation of the figure. I was not through with my statement, may I say to my good friend, the gentleman from Virginia. Five thousand of these jobs would include new city mail carriers that it would be necessary to put on to replace the rural free deliveries in the growing suburbs during the coming year. I happen to represent quite a few suburbs myself so I know how important that is. The other important point is this. There will be 5,000 persons now employed by the postal service who will not be replaced, vacancies occur in the postal service during the coming year. If employees are dismissed or laid off or if they resign or die, they will not be replaced. So that actually on the present postal working force is a 5,000-person gradual cut down, with no forced dismissals for this purpose of meat ax economy, but it is carried out by not filling the jobs that may become vacant.

Mr. GARY. I see no reason for any single permanent regular employee of the Post Office Department losing one penny or 1 day's work because of this bill, and I do not believe anybody can explain how it will come about.

Mr. FULTON. But may I say to the gentleman that when these jobs become vacant, and these positions are absolutely necessary to adequate current post office operations, the Post Office Department must have either somebody replacing the lost employee to do the job, or cut down the necessary service. I cannot see any escape from that alternative.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. PASSMAN. I would like to point out to the gentleman that we have provided an increase in this bill over and above the amount they had last year, in the amount of \$44 million for these expanded services.

Mr. FULTON. But may I say to the gentleman that on the project for getting better mechanical equipment and laborsaving devices which will be a saving later, that in this budget the Post Office needs \$10 million for that item alone, and without the extra funds

recommended, it will have to be cut. That is money that should be spent. It is penny-wise and pound-foolish to cut out such an intelligent and efficient program. Congress can save the penny now, and the taxpayers must spend dollars in the coming years, because the Post Office Department does not have adequate modern machinery and equipment.

Mr. PASSMAN. All of those agencies appeared before the committee and pointed out the many millions of dollars which were saved in improved equipment. Nevertheless, they are always asking for more and more money.

Mr. FULTON. I understand your point, but I think the Government agencies do a pretty good job, both under Republican and Democratic administrations.

Mr. PASSMAN. You mean running the Department?

Mr. FULTON. I mean running the Department. I think a lot of this cry about cutting expenditures in the Post Office is for the purpose of making a lot of political hay in certain congressional districts, at the expense of good postal service to the American people.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent (at the request of Mr. PASSMAN) Mr. FULTON was granted 5 additional minutes.)

Mr. FULTON. I run a small business myself. I conduct several small newspapers, and have personal experience with good postal service and its benefit to the civic life of the community. If any business is faced with a prospect of layoffs and cut downs and failure to replace needed employees, it certainly does not do any good in building a career service among loyal employees in that particular department or business.

That is what we in Congress are facing here in the proposed Post Office appropriation cut of \$58 million for the coming fiscal year. Everybody admits it. This will have a drastic effect on the efficiency and morale of the postal employee service, and it will particularly hurt because some of us want to make the postal service become a real career service. I, for one, would favor giving the Post Office Department the money to do a good job of modernization and building an efficient career postal service instead of cutting the ground out from the efficiency and progress the Department has already made.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my friend and colleague from Pittsburgh.

Mr. CORBETT. I would like to cooperate with the gentleman's statement and cite as authority the Postmaster General and one of his assistants who appeared before the Post Office Committee today. It was pointed out there that while it was not certain what service would be discontinued, that certainly the things the gentleman has outlined would be among the first to be considered. But they did not want to finalize their opinions until the bill had been passed finally.

Mr. FULTON. Yes.

Mr. CORBETT. I just wanted to ask one other question.

In the Post Office Department presently the number of persons leaving the service per month is down to 1.6, which is about one-half the rate for the rest of the Government agencies and about one-third the rate in private business. So the program has been working.

Mr. FULTON. I thank the gentleman.

I think we should realize that if we cut the whole proposed program for suburban extension of city delivery service we will save only \$11 million in the coming year, and that is too important a service for Congress to cut blindly.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. SIEMINSKI. The gentleman is a businessman. Would the gentleman tell this House how industry or business has met the challenge of suburbia?

Mr. FULTON. I have several suburban newspapers that I publish. Our papers are expanding because the suburbs themselves are expanding. The post office has the duty of giving adequate postal service to these fine new suburbs and communities where the census shows that most of our country's population growth is developing. Some of these Congressional Members who have districts in the so-called country districts are finding the suburbs are moving in to them. They will quickly find that every one of these suburbanites was born with a fountain pen in his right hand and a piece of paper in his left hand and already knows how to write to his Congressman.

Mr. SIEMINSKI. But industry makes no bones about making the patron walk to its place of business to get his goods; makes the employee ride to his place of work. There is no visible complaint in this as yet. In suburbia, the patron generally is a cash and carry person, is he not? In the city he still has delivery service, in suburbia big city stores have built branches and the average man, Mr. and Mrs. Suburban America, go to the store and get what they want and carry it home. Industry does this for economy and profits to itself and reasonable costs to the patron. This is called modernization.

In suburbia, you go down to the corner to mail your letter, and to the post office to mail your parcels, as you do in the cities. If agreeable, in suburbia, we could have delivery depots on street corners or in locations where people can pick up their mail close to home. If the cost of rendering a postal type service exceeds its income why not use a little engineering, a little distribution ingenuity to solve the problem? It is easy to raise prices and the cost of services and taxes.

Mr. FULTON. I do not believe we have come to the point where Congress should adopt the policy that everybody in the suburbs would have to go get their mail again on foot as we did in 1860. I think the present suburban delivery service is fine; and as a matter of fact, I would like to do more as our suburban areas develop. Also I would like to replace every truck in the postal delivery service

that is over 6 years old. I complained about the condition of the equipment in Pittsburgh. One day down town I had the experience of having a wheel come off a mail truck and pinning me against my own car. So there is danger in using old and worn out equipment.

They say Congress can save the money by not putting in needed improvements, and by continuing with antiquated ventilating systems and heating and lighting. I would hate to have any employees of mine working under such conditions as exist in some of these old post offices.

For example, the Post Office Department has said that if they had to eliminate the postal savings service, it would result in a saving of \$1 million. I am against that.

They say that to eliminate the sale of money orders would save \$15 million. I am against that.

They say we could reduce business deliveries throughout the week to two a day at an approximate saving of \$5 million. I oppose that program too. They say we could restrict Saturday deliveries in the city to first-class mail only and save approximately \$10 million.

This should not be done either.

As you see here are necessary items of service that the Department would have to consider cutting, but every United States citizen is vitally interested in good postal service. I particularly am interested in such a good postal service as this, which keeps this great country together as one single unit called the United States of America.

I think Congress ought not to cut out these necessary postal services that have proved their worth, but that we should give incentive to increase the efficiency and productivity of the postal employees which would result in increased efficiency of the whole postal service. We should give the postal employees a real career service.

Mr. GARY. Would the gentleman support a bill making all these services self-sustaining by increasing rates so that each one of these services would pay its own way?

Mr. FULTON. I would increase postal rates overall, but I would not treat each branch of the postal service as a separate business unit, but rather look at the whole Post Office Department functions as a necessary and good public service. I do not see how I, a member of the Foreign Affairs Committee, can vote to cut the postal service of this country when every country abroad that we are helping has a better postal service than we.

Mr. GARY. The gentleman wants the service but he does not want to pay for it.

Mr. FULTON. No; I would vote for a postal-rate increase, but I cannot see that each kind of postal service must individually return a so-called profit as if it were a business, instead of a public service. I represent a city and suburban district. I would like the farmers and the people who live in the mountain areas to get good postal service, too, and that is why the postal deficit is so large. I am willing to pay my share as a United States citizen and taxpayer to see that they get better service as we people in the concentrated areas want, too. Why

should we in Congress discriminate against farmers and rural free delivery routes. I certainly do not favor this.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for an additional 5 minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, how much time is this going to take? The Postmaster General is going to be sworn in and some of us would like to be down there to see that service and to honor the man who is bringing us such efficient service.

The CHAIRMAN. The Chair is not advised.

Mr. HOFFMAN. Is the gentleman in charge of the bill advised?

Mr. CANFIELD. If the gentleman will yield, I really feel that the Postmaster General would like the gentleman from Michigan to remain right here.

Mr. HOFFMAN. No. I think you misunderstand how my vote is going to be cast. I think you would like me to go away.

Mr. CANFIELD. No; I think the gentleman should remain here.

Mr. HOFFMAN. I am making the inquiry seriously on behalf of some gentlemen who would like to go down and see the ceremony, yet the gentleman from Louisiana is asking for additional time.

The CHAIRMAN. Does the gentleman object to the request of the gentleman from Louisiana for an additional 5 minutes?

Mr. HOFFMAN. I reserved the right to object and have not withdrawn it yet.

Mr. GARY. As soon as the gentleman from Louisiana finishes I intend to ask for a limitation of debate.

Mr. HOFFMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Michigan has withdrawn his objection.

The gentleman from Louisiana is recognized for 10 minutes.

Mr. PASSMAN. Mr. Chairman, the gentleman who spoke a moment ago with respect to postal rates failed to answer a question asked by the distinguished chairman of our subcommittee. I think I should direct his attention to the fact that in most other countries the postmaster general fixes the postal rates, so if people demand more service the postmaster general increases the rates to provide for the additional revenue. It is, therefore, a self-sustaining operation.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Very briefly.

Mr. FULTON. The gentleman raised a question in reference to my comments. May I say that I look at the postal service as a governmental public service, that it should not be a business. I want to balance the budget. I would like to compliment the gentleman on his action last year together with some of the rest of us in being able to cut the foreign affairs program by almost a billion dollars and thereby saving that money. I also say to the gentleman that I want to cut the President's recommendations where they can be and should be cut, but I do not think we should cut a vital serv-

ice such as that of the Post Office Department.

Mr. PASSMAN. The gentleman referred to the excellent service given to the patrons by other countries, so I thought it only fair to remind the gentleman that the postmasters general of these other countries have the right to increase the rates so as to provide the money necessary to pay for the greater service demanded by the mail patrons. The gentleman should discuss both phases of the problem.

Mr. Chairman, I regret the need to challenge my dear friend, the gentleman from New Jersey [Mr. CANFIELD]. He repeated today a statement, with obvious reference to my comments of yesterday, that this is the largest cut the House has ever made in any request from the Post Office Department. Then he brings into play the words "in finality." This will not be in finality. This will be action on the part of the House and, as always, the bill will go to the other body, and what will be done with it there no man now knows.

I want to say to the gentleman that while this is the largest appropriation request ever made by the Post Office Department, it is not the largest cut in this bill ever made by the House. In 1954 this House reduced the Truman budget for this appropriation by \$74,550,000. Furthermore, in 1956 the House reduced President Eisenhower's Post Office budget request by \$68,117,000. We should keep in mind that we are considering an appropriation today for the Post Office Department in the amount of \$3,192,000,000, which is the largest request of money ever made for postal operations. But this is not the largest cut we have ever made.

It is rather difficult for me to understand why there is so much pressure from the left side of the aisle to grant the Post Office Department exactly the amount of money requested. You and I know there has not been a money bill submitted to the Congress that could not stand a 1.7-percent reduction. This is a very small reduction.

Let me say, Mr. Chairman, that this is going to be a test vote. It is rather unusual, according to my friends on the left of the aisle, to see a determined effort of our colleagues on the right side who are determined to reduce the President's budget. I want to say again, as I did yesterday, that even though we make some minor cuts as we proceed with these appropriation bills, when we finally complete the fiscal year, we will doubtless have absorbed all cuts and will have increased the total amount of expenditures by from \$3 billion to \$4 billion. In 1956 we finished the year spending \$1,400,000,000 more than the President requested in his budget. It is estimated that at the end of the fiscal year 1957 we will have spent \$4,200,000,000 more than the President requested in his original budget. When we have finished this fiscal year, any cuts we have made on this or subsequent appropriation bills will no doubt be absorbed, and in all probability we will have overspent by some \$4 billion the original budget request. The amount of 0.7 percent is a very small cut. I do not actually be-

lieve there is any one of you who believes deep down in his heart that we are going to substantially affect in an adverse manner the postal operations by making this very small cut in the budget request. You know and I know that these departments have a habit of asking for a full loaf. In some instances they turn back money. In the postal establishment they have transferability of funds; and in many instances in recent years this committee has given the Postmaster General, for certain functions, more money than he could actually spend, and it was transferred to postal operations or to some other function of the postal service. That is a matter of record; so let us approach the problem realistically.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. As I recall the gentleman's remarks yesterday, he very eloquently and correctly pointed out his faith and confidence in the efficiency and the economy mindedness of the Postmaster General.

Mr. PASSMAN. That is correct.

Mr. CORBETT. Now, if the Postmaster General himself said that if this cut is to stick, despite all the economies they have made over the years—and they have been plentiful—that because of the 3- to 4-percent increase in the volume of business, plus this cut of 1.7 or 0.6, that will mean that certain services must be curtailed, where is the money coming from for the purpose of extending this service? The gentleman said we only cut it 1.6 or 0.7 below the budget. My point is this: there is not merely a reduction here, but there are no funds allocated for the tremendous increase in volume.

Mr. PASSMAN. I might say to the gentleman that almost anything can be established, pro or con, with figures and statistics. I may further state that I am very fond of the Postmaster General; but before I could answer your question I would have to ascertain whether or not he was issuing those statements as a businessman or as a politician.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. SIEMINSKI. Would the gentleman tell me what determines the type of service your letter receives before it comes to your hands through the mail slot? What determines that factor? Is it time or cost or convenience, and on whose part and in whose favor? For instance, if you live in a big housing project in New York, as I understand it, you have to go downstairs for your mail. If you live in a private home out in the suburbs, your rural free delivery carrier puts it in the box and you walk down the path to get it. If it is in an intermediate area, or in the city, you probably have the postman come to the front door and slide the letter through the slot; people who pay 3 cents or the air mail 6 cents do not get uniform treatment in this regard. There is room here for engineering considerations. I think

the cut of 1.7 is going to force it on us until cost and revenue balance better than they do, especially in suburbia, as I mentioned earlier.

To meet the impact of traffic, the New York Port Authority is putting another deck on the George Washington Bridge. It's not building another bridge. That's engineering ingenuity with an eye on cost and revenue. Another example, take Greenwich, Conn. It is not in my District, so I can talk about it. Lots of nice people out there. They pay nice taxes, locally and to Uncle Sam.

Do they complain about postal service? Do they complain about having to go down the road to the rural free delivery box to pick up their mail? I have in mind the area around Pecksland Drive. In that vicinity you note rows of rural free delivery boxes. Elsewhere, they seem double-decked.

Apartment houses and big housing projects have streamlined the rural free delivery box idea. You go downstairs for your mail; it is in a neat, compact setup. These people do not complain.

Why do we not put this type of rural free delivery box consolidation that apartment houses have, into use on street corners, next to mail boxes, all over suburbia?

Streamline the design, waterproof it, and I venture expanding suburbia will take it as gracefully as the people in Greenwich, Conn., and in apartment and housing projects do now. It is an approach, is it not, to easing the burden on the taxpayers while keeping up essential and efficient postal service.

Mr. PASSMAN. I thank the gentleman for his contribution. I might say to the gentleman from Pennsylvania that if the people who have the postal service curtailed briefly will exercise some patience, they will eventually get a tax reduction by having expenditures reduced. They will be the recipients of savings made here.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think the gentleman has made a good point in his statement, that we are accustomed to seeing these departments ask for more money than they expect to receive. But is it not also true that this Department has been through one wringer over at the Bureau of the Budget?

Mr. PASSMAN. They might have gone through a soft-rubber wringer rather than a hard-rubber wringer; and that is what we need to do, to squeeze out a little more. If this great House of Representatives were to take a secret vote on this reduction, in all probability it would be practically unanimous for approval. This cut is justified.

Mr. CORBETT. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. Yes. I am pleased to yield to my good friend on the subcommittee.

Mr. CORBETT. The gentleman raised the matter of maybe there is some politics in this thing. I think we ought to note this. In most of the departments of the Government they are still pretty

much manned by the folks who have inherited these jobs over the years, and I think that practice has become pretty firmly established. But I want the gentleman to know that now they have some Republican leadership and they have not become used to that procedure yet.

Mr. PASSMAN. Inasmuch as the gentleman referred to personnel and furnishing cost-ascertainment figures, may I ask whether or not the gentleman voted to reduce the Truman budget request for this appropriation by \$74,550,000 in 1954?

Mr. CORBETT. I do not recall, but I would doubt that I would vote to cut an essential service of the Government. Generally I have voted for most of those cuts.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CANFIELD. Mr. Chairman, reserving the right to object, I think we want to be fair to all Members who want to speak on this amendment. I would still like to know, may I say to my friend from Virginia, how many Members who have not yet spoken would like to speak?

Mr. GARY. Mr. Chairman, I certainly do not want to shut any debate. I want to be reasonable.

Mr. Chairman, I move that debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

Mr. TABER. Mr. Chairman, I believe that with a budget of \$71 billion staring us in the face it would be a great mistake for this House to refuse to go along with the cuts proposed by the Committee on Appropriations here today.

We have had a great bunch of bugaboos trotted out here. I do not know whether there are any that have not been trotted out. First off, they say there is a budget estimate over there in the amount of \$57 million—\$47 million—\$43 million—and I have heard the figure \$23 million. I have known of budget requests that were made as early as this in the fiscal year to evaporate entirely before they got to the House Committee on Appropriations. Maybe this one will. They are getting into the period where the cost of operation is less than it was in the last 3 months when we were in and around the Christmas period. There is that situation.

Then they talk of a great many things that would mean cutting out services, curtailing services. Mr. Chairman, let

me tell you that this appropriation was thrown together by the committee with the idea that there would be funds for approximately 6,000 additional carriers, not with the idea of reducing the number of carriers and clerks, and so forth, provided in the appropriation, so that we could have more service to take care of the demands that have increased. That is shown in the report at the bottom of page 12, where it says:

In recommending an appropriation of \$2,290,000,000, the committee is providing approximately \$17,825,000 more than was available in 1957.

It is absolutely necessary, if we are going to maintain the solvency of the United States that we save every dollar that can be saved.

Mr. BROOKS of Louisiana. Mr. Chairman, would the gentleman yield? I have a profound respect for the gentleman's ability in the field of finances.

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. The gentleman is satisfied in his own mind that there is nothing in this bill that is going to result in firing full-time employees or in wrecking post-office services; is he not?

Mr. TABER. I am satisfied that nothing will happen that will be untoward in connection with the Post Office administration as the result of this bill. I do not believe a single person will be discharged as a result of it, and that is one of the grand bugaboos we have had trotted out here. I do not know whether there are any more they could have trotted out or not. To me, it is absolutely tragic that we have an attempt to raise this bill with that kind of bugaboo. I hope we will throw out the bugaboos, sustain the committee in the cut it has made, and say to the Appropriations Committee and to you, Mr. Chairman, that we expect the Appropriations Committee to go down the line the rest of the way.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MOSS].

Mr. MOSS. Mr. Chairman, it seems to me that, as is always true when we discuss the Post Office Department, this is an area where much disagreement can occur. Basically, as I see the question, it is one of whether we are to continue providing adequate service to the American people, who demand decent service from their Post Office Department.

The pattern of every major city in this country is one of an upbuilding of suburban areas, areas which take on all the characteristics of urban communities, areas where there is growing demand for the extension of carrier service. That demand cannot be met unless we approve the amendment offered by the gentleman from New Jersey.

We can talk about the figures all we want, but as I read the hearings, I find that Mr. Stans, the Deputy Postmaster General, stated at the time he appeared before the subcommittee that it was the intention of the Department to seek approximately \$53 million in supplemental funds. If that is true, and I have every

reason to believe it is true, then that request, if granted, would make more money available for the current year's operation than is proposed in the budget presently under consideration. If it is true and that happens, as I am confident it will, it seems to me that we will look rather shortsighted if we approve, in a Nation growing as rapidly as this, and demanding the service the American people demand from this Department, a lesser figure for the 1958 fiscal year than we made available in 1957.

There is another very important facet to this postal operation. We are faced with the most rapid turnover in carrier and clerk personnel in a great many years. This arises because many persons can find better salaries on the outside than they can get in the Post Office Department. With rapid turnover, you have as a very natural consequence a lessening of efficiency. In view of that rapid turnover, I am amazed that more money was not requested.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and permission to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Chairman, Senator KNOWLAND hit the nail on the head when he said that there must be no double standard of international morality in the United Nations. It would be wrong for the United Nations to apply sanctions against Israel and not exert the same sort of pressure against others who have disregarded resolutions of the United Nations.

I believe that a way must be found to have Israel and Egypt give ground simultaneously and with fair equality until a basis is laid for peaceful coexistence. If the United Nations is to insist on commitments from Israel, it should also insist that Egypt agree to end the state of armed truce and blockade, and grant freedom of passage to Israeli shipping in the Suez Canal and Gulf of Aqaba. There must be no return to the status quo existing before the recent hostilities.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SISK].

Mr. BURNS of Hawaii. Mr. Chairman will the gentleman yield?

Mr. SISK. I yield.

Mr. BURNS of Hawaii. Mr. Chairman, I do not want to take up too much of the Committee's time. I do not have a vote, but I would like to offer the comment of some of my constituents, and I would like to read the following telegram:

JACK BURNS,
Delegate to Congress,
House Office Building,
Washington, D. C.:
House Appropriations Committee cut Post Office budget by \$58 million. House will vote on bill Tuesday. Urge your help to restore

money. Motion will be offered by Congressman CANFIELD.

DON TOYAMA,
President, Branch 860, National
Association Letter Carriers,
Honolulu.

Mr. SISK. Mr. Chairman, I rise in support of the amendment. I am very sorry that the amendment does not call for the full restoration of the \$58 million. When I talk to people in my own area and see the overcrowded conditions and lack of facilities of both rolling equipment and other facilities in the post office and hear the statement of the department that there is no money to replace these facilities and rolling equipment, I am concerned by the attitude of the Appropriations Committee. I know that we have in the Post Office Department a group of the most underpaid people in America, and yet, we demand the finest service. In view of this fact, it seems a shame to me that there should be an attempt made to bring pressure upon a service of this type. I hope that the members of the Committee on Appropriations are prepared to accept the responsibility for what will occur if these cutbacks and curtailments of facilities develop, which are listed on page 2258 of yesterday's RECORD. I would like to ask the distinguished chairman of this committee if he agrees that these cutbacks will occur. There is a list of eight items here on page 2258 of yesterday's RECORD. Does the gentleman concur that in all probability those cutbacks will occur?

Mr. GARY. Absolutely not. I see no reason for cutbacks at all since we have given the Department more money than they had for this year. Why should they cut back?

Mr. SISK. But, is it not a fact that the Department made this statement, or at least it so states in the RECORD, and I find no place, where either the gentleman from Virginia or anyone else refutes that statement.

Mr. GARY. May I point out to the gentleman that departments sometimes overestimate their needs. I believe that the Post Office Department can operate efficiently under this bill.

Mr. SISK. I would hope that the gentleman might be correct, for I am just as concerned about reducing the size of the present budget as any member of this House. I shall conclude, however, Mr. Chairman, by asking the members of this body to support the proposed amendment, for nowhere on the record has the committee justified this reduction of funds requested by the Post Office Department.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. CANFIELD]. I am strongly supporting the report of our Committee on Appropriations. I have had some little experience with postal operations, and I have some knowledge of the amount of money needed for efficient service. I was with the Post Office Department for about 10 years before I became a Member of this body, and I have been chairman of your

Committee on Post Office and Civil Service for 4 terms. I am convinced that if the House stands by the Committee on Appropriations on this bill, then no essential services of the Post Office Department will be impaired, and that the Department will continue to operate efficiently under this appropriation, as approved by the Committee on Appropriations. Now, I am a great friend of General Summerfield who is a fine, outstanding Postmaster General—he is making an excellent record in office. I have cooperated with him and worked with him and I have a very high personal regard for him. I have never known a more industrious, more sincere or more capable Postmaster General than he is. But, I tell you, it is my frank opinion that General Summerfield and his staff will not have to curtail any essential services under this appropriation. I am in favor of strict economy in the operations of our Government. I think it is high time that we show more concern for the taxpayers of our country. This reduction is very moderate. It is less than 2 percent. It is only 1.7 percent. This bill gives the Department \$207 million more than it has for the present fiscal year. It gives them \$76 million roughly more for operations and for other facilities. In every item within the Department, there is an increase given this year for administration, research, operations, transportation, and for facilities. You cannot tell me that the Postmaster General and his staff cannot operate efficiently under the budget approved by the Committee on Appropriations. It is high time that we have some regard for the taxpayers of our country. It is imperative that we start reducing the budget of the various departments and agencies and the cost of our Government. I hope this is only the forerunner and the first test that will be made to show that the House is ready to make reductions where it can be done without impairing efficiency or reducing essential services. I can assure you, in my opinion, this will not impair efficient services of the Post Office Department if we vote down the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I have requested this additional time to clear up what could be a misunderstanding. Several members of the Louisiana delegation received a telegram from one of the National Postal Association officers, stating that if the \$58 million should not be reinstated, the rural mail service may have to be reduced to a triweekly basis.

The total estimated cost of operating the rural service for the fiscal year 1958, recommended in the budget, is only \$221,334,000. On this basis, the cost of operating the R. F. D. represents only 7 percent of the total amount in the Post Office Department request. So, in any event, there certainly should not be any significant curtailment of the service.

I point this out so that you will not misunderstand what is proposed in the

bill. This bill will not cause any postal employee to lose his job. It does not reduce employment in the Post Office Department, but actually allows for an increase. True, it does not permit as large an increase as some people in the postal service desire; but the Nation cannot afford to indulge in every such request 100 percent.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Yes, I yield.

Mr. FULTON. Certainly the gentleman does not intend to give the impression that a 25 percent reduction in the rural free delivery service is reasonable.

Mr. PASSMAN. I did not make any such statement. I said the total cost of operating the rural routes amounts to 7 percent of the budget request; and yet I received a telegram stating that this service would have to be reduced to a triweekly basis if this appropriation reduction should be made. I made the statement that the rural service should not be adversely affected in any significant manner at all.

Mr. FULTON. I think that is a terrible cut in the rural service.

Mr. PASSMAN. It is not a cut at all. I am pointing out the inconsistencies in the assertions made in the telegram.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I do not believe there is a Member of this House who has a higher regard for the Post Office and the postal employees than I. I believe that through the years I have served on this committee, I have shown my interest in the Department, and I have shown my friendship for the postal employees. The first speech that I made on the floor of the House was in favor of a salary increase for postal employees, and at that time they had not had an increase for 20 years.

Certainly I do not want to impair, much less destroy, the postal service of the United States. I can say to you very frankly that I do not believe that the cut in this bill is going to hurt the service. I am absolutely certain that it will not be necessary to dispense with the services of one single regular permanent employee of the Post Office Department, or to reduce his salary one dollar.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be glad to.

Mr. FULTON. Would not failure to pass the amendment offered by the gentleman from New Jersey have a very severe effect on any possible consideration of a pay raise during the current session of this House?

Mr. GARY. I do not think it would have anything whatever to do with a pay raise. If we increase the salaries of the postal employees, naturally we will have to increase the appropriations to take care of it. As a matter of fact, if it were to have any effect at all, I think it would help them get a pay raise. I do not believe this body is going to favor increasing postal salaries again until we cut this deficit some. I tell the postal workers

in my district that if they want a salary increase they had better try to cut this deficit, because I know this House is getting very weary of the deficit that is growing from year to year.

Mr. DOWDY. Mr. Chairman, I have been somewhat concerned about statements that have been made relating to the places where the Post Office Department will observe economies in the event they should not receive the total appropriation requested. When I hear such drastic suggestions as eliminating Saturday delivery, and inability to extend the mail service to new communities, I would like to point out to the House that as chairman of the subcommittee which looked into postal operations matters, I suggested to the Department some places where operating expenses be cut, and these places I believe are much more appropriate to economize than it is to cut the kind of service which has been discussed here today. On July 20, 1956, I wrote to the Postmaster General and pointed out that while we hear a great deal from those who send third-class mailings that they tie out their mailings to zones, as a matter of fact, this is done only in the cities where they are mailed. It is not done for cities that are located outside the office of mailing. For this reason many third-class mailers—advertising circulars—locate themselves in small towns, but send millions of circulars for various companies all over the country. Let us take, for example, if a company was located in South Bend, Ind., and sending mailings in South Bend, they would zone and tie out the mail to zones in that city, but all the mail they were sending to Dallas, Chicago, and New York, and other cities would not be so affected. The clerical hire for third-class mail and second-class mail in the 23 large offices, and there are 110 where zones are in effect, is given by the Post Office Department as approximately \$65 million. If half of this cost is for primary sorting, you can see that in the neighborhood of \$30 million could be saved merely by requiring third-class mailers and second-class mailers to tie out their mailings to cities where the zone system is in effect. This will save the primary distribution of these mailings in those cities. I am sure there are many other places where economy can be effected that will not affect the public by curtailing service, but of course if the administrators do curtail service to the public, then they will write their Congressmen and complain that the budget should not have been cut. I think you will find this will be the general practice in every attempt we make to cut the budget, that when we have these lump-sum appropriations we are not able to specifically designate the things that should be cut out, and the economies that should be effected, so the administrators take the opportunity to make Congress the target by cutting where it hurts or irritates the public, rather than practicing the obvious economies available to them. By this method, they enlarge the bureaus, making their own jobs appear bigger and more necessary, and continue bleeding the overburdened American taxpayer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CANFIELD].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 83, noes 148.

Mr. CORBETT. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. GARY and Mr. CANFIELD.

The Committee again divided; and the tellers reported that there were—ayes 124, noes 177.

So the amendment was rejected.

The Clerk read as follows:

TRANSPORTATION

For expenses necessary for the administration and operation of the postal transportation service, including payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal year settlements with foreign countries for handling of mail, \$648 million.

Mr. WITHROW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was pleased to notice on page 157 of the hearings of the Treasury and Post Office Subcommittee, that in regard to rail transportation Assistant Postmaster General Siedle said, "We have about scraped the bottom of the barrel in effective savings" in rail transportation.

I believe that for too long a period of time we have seen a pattern of increasingly rapid discontinuance of Railway Post Office service. On page 184 of the hearings, in a statement made by Paul A. Nagle, president, National Postal Transport Association, the comment appears that there were on June 30, 1913, 1,589 railway post-office lines, while in February 1955 the number had been reduced to 483, with establishment of only 184 highway post-office routes. The question is asked, "Is it reasonable to feel that 184 highway post offices and 483 railway post offices could possibly provide the service previously afforded by 1,589 railway post offices?"

Mr. Chairman, I believe firmly that distribution en route should be expanded and that it should be the sense of this body that there be no further reductions in en route distribution facilities.

Remember than not more than 25 years ago there were 20,000 trains in the United States that were carrying mail. At the present time there are less than 3,000 trains carrying mail in the United States. We cannot hope to keep up good service if we are going to continue to reduce sending this mail by train, so that it can be delivered en route.

Mr. FLOOD. Mr. Chairman, I want to say a word on behalf of the 1,000-man Postal Inspection Service.

We need such a service to make impartial surveys of the efficiency of various post offices around the country.

We need these inspectors to protect our letters, to protect the sanctity of the United States mails. Think of all the looseness we read about in connection with wiretapping, and think of how few cases we ever see of people intercepting and opening other people's mail. The

Postal Inspection Service explains the difference.

We need them to investigate fraudulent letters, loss and theft.

I understand, and members of the Postal Appropriations Subcommittee can correct me if I am wrong, that in the fiscal year 1956 the Inspection Service recovered and returned to the public some \$533,000. In addition, I believe it is true that the Postal Inspection Service protected the American taxpayer to the tune of some \$2 million in various tort claims cases.

Take another simple and necessary activity: We all know what a rush there is at Christmas time to get extra people to work in the post offices. Last year the Inspection Service weeded out some 4,000 applicants who had felony records.

The Inspection Service conducted last year over 100,000 inspections of possible violations of the postal laws and also conducted some 50,000 audit inspections.

This work is vitally important and the savings to the taxpayers are measurable as a result, but in addition, Mr. Chairman, I think one great value of the Postal Inspection Service which is hard to measure can best be described as preventive medicine. A lot of thefts, invasion of the privacy of our mails, and inefficiency is avoided simply because people know that this Inspection Service exists, and is on the job all the time.

I hope the distinguished chairman of the Treasury-Post Office Subcommittee of our Appropriations Committee will give careful consideration at this time, or when the conference committee meets, to restoring some of the \$300,000 which has been cut from the Inspection Service.

Mr. CANFIELD. Mr. Chairman, for the record I desire to call to the attention of the House the enclosed letters I have received from Deputy Postmaster General Maurice Stans, responsive to telephonic inquiries regarding the possible effects of cuts in the Post Office Department's moneys for fiscal years 1957 and 1958.

THE DEPUTY POSTMASTER GENERAL,
Washington, D. C., February 14, 1957.
Hon. GORDON CANFIELD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CANFIELD: You have inquired as to our current estimate of need for a supplemental appropriation for fiscal 1957, and have asked for further details in amplification of our statements appearing on page 27 of the hearings of the Subcommittee on Appropriations.

At that time we indicated that we were in need of a supplemental appropriation of \$53 million for this year, of which \$47 million was for operations and \$6 million for facilities.

The exact amount of the supplemental appropriation which will be requested has not yet been determined, and arrangements have been made with the Bureau of the Budget that this determination will be made and the supplemental appropriation officially requested some time before the end of March.

Consideration is being given to withdrawing our request for \$6 million for capital items under the category of facilities, with the thought that we may be able to reprogram our 1958 plans to include these items, provided our 1958 request is not reduced.

As for the amount of \$47 million estimated as our need for operations, we are now engaged in intensive discussions and studies

to determine the extent to which this request might be reduced without impairing service. We have just finished a 3-day meeting with our regional directors, and have had numerous other meetings and discussions on the subject of possible economies. It is our present belief that the amount of reduction that we can make in this \$47 million request through economies that would not impair service is relatively small.

You have asked specifically what our situation would be and what action we would have to take if we received no supplemental appropriation at all for 1957. Under such conditions we think we would have no alternatives other than (1) payless paydays for our employees, or (2) substantial curtailment of service in the last quarter of the fiscal year. This is clearly evident from the fact that 97 percent of our operations appropriation is for personnel.

Our need for this money springs from three factors. The first is that mail volume now appears to be running at a rate of \$21 million higher than that estimated at the start of the year; obviously, handling this mail entails additional cost. The second is that we began the year with inadequate funds to meet continually growing demands for city carrier service in spreading urban and suburban areas. The third is that something over \$4 million has been added to our costs for new legislation not provided for in the budget.

The inadequacy in our funds for city-carrier service springs from the fact that the 1957 appropriation was based upon a normal increase over the 1956 appropriation for this item of cost; however, 1956 expenditures turned out to be substantially higher than the amount available, by reason of the same circumstances of growing and spreading population; and we then secured a supplemental appropriation for 1956 and also transferred savings from other accounts to finance the service needs. This left us, however, with no funds in 1957 to provide for needed carrier routes and extensions forced upon us by the conditions described.

If we are forced, in the absence of a supplemental appropriation for 1957, to curtail service, the service curtailments would have to be of such serious dimensions as a reduction in frequency of rural mail deliveries, elimination of city carrier service on Saturdays, or closing of post offices on Saturdays. Studies would have to be made as to how to accomplish material reductions, considering also the fact that the remaining period of this fiscal year would be extremely brief in which to accomplish any "economies" of major proportions.

Sincerely,

MAURICE H. STANS.

THE DEPUTY POSTMASTER GENERAL,
Washington, D. C., February 14, 1957.
Hon. GORDON CANFIELD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CANFIELD: In response to your telephoned question as to what action the Post Office Department would have to take if there was a reduction in our appropriation requests for fiscal 1958, I would like to submit the following:

1. Administration and research:

Any reduction in this appropriation would perforce mean a comparable reduction in our all-important research program which is just now reaching maturity.

The research program is the basis for all significant economies in the future, as well as for continuing improvement in the service to the public. It is consistent with constant urging by the Subcommittee on Appropriations over many years prior to this administration.

The only way the Department can improve service is by modernization of the

mail-handling facilities in the major post offices, so that mail can get in and out of post offices more rapidly. To defer this program now is false economy of the worst type, which will be reflected in increasingly poor service as mail volume continues to increase in facilities both obsolete and overcrowded.

The request for \$4.9 million is, in our opinion, an absolute minimum at this stage of the program and any decrease in the appropriation would result in a serious deferment of projects which will eventually result in significant savings through mechanization—the major area left to us where important savings can still be made.

Any further reduction in management would be unrealistic in the extreme. We have already reduced our staff in the Washington headquarters by approximately 500, a cut of 28 percent. In addition to this, through regionalization of work formerly done in Washington and in post offices over the country, we have been able to reduce our management and accounting staffs in the field by 3,696 people (see p. 7 of the 1958 House hearings).

In view of the rising volume of mail we cannot reduce our management staff further without serious impairment of service.

It is our management program, with its emphasis solidly on competent and trained supervision, that has made it possible for us to handle 12 percent more mail in fiscal 1956 than we did in fiscal 1953 with no increase in manpower, except for the city carrier force, the size of which is not determined so much by volume as by the geographical development of communities. As a matter of fact, man-years of work, except for city carriers, have decreased 2.2 percent in 1956 as compared with 1953.

2. Operations:

Any reduction in our operations appropriation would have to come from city carrier service, which is the only account for which we asked an increase over our 1957 estimated expenditures. A reduction of as much as \$23 million would mean that we could not add any new carrier service until after July 1, 1958. We estimate our needs in the interim at 5,000 carriers. Any cut in this appropriation exceeding that figure would force us to explore other means of reducing our service to the public.

These ways would probably include, among others, considering:

- (a) Elimination of delivery of mail on Saturdays.
- (b) Reduction to one delivery a day in business areas during the week.
- (c) Elimination of the sale of money orders.

Any significant curtailment of service, or some combination of these or other curtailments, would be extremely unpopular with the public, which rightly expects the postal service to move forward, not backward.

Since 97 percent of the operations appropriation is for personnel, any reduction in funds and service would necessarily result in the employment of fewer letter carriers, fewer postal clerks, and fewer employees in every category.

3. Transportation:

The major part of our transportation expenditures go to the railroads and airlines for moving the mail. There is no possibility of reducing their charges and, as a matter of fact, the railroads are now asking the Interstate Commerce Commission for an increase in rates which would sizably increase our transportation expenses.

The only reduction in transportation expenditures possible is in the field of Postal Transportation Service personnel. Such a reduction, in the face of increasing volume, would inevitably result in impaired service.

4. Facilities:

The Subcommittee on Appropriations has urged the Post Office Department for many

years in prior administrations to develop and install modern equipment which would improve the service and cut unnecessary costs.

Any reduction in the facilities appropriation would seriously reduce this badly needed program. The only means of building a truly modern postal service is through the development and production of modern equipment. It is of paramount importance to the service that this program should not be hindered at this time.

As Postmaster General Summerfield said in his opening statement before the subcommittee, our 1958 presentation is a tight budget. It is an honest budget. There is no fat in it. Any cut would be into the lean, and would cause serious impairment of service and efficiency. It would also block the way to really significant savings in the future.

Sincerely,

MAURICE H. STANS.

THE DEPUTY POSTMASTER GENERAL,
Washington, D. C., February 15, 1957.

HON. GORDON CANFIELD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CANFIELD: You called my attention this morning on the telephone to a United Press report that the Post Office Department is suspending plans for the construction of \$20 million worth of post office buildings. You asked me to inform you what effect this suspension would have on our 1957 and 1958 budgets.

The news report in question relates to the temporary suspension of our lease-purchase programs, as stated in the attached press release. There has been no suspension of our program for the regular leasing of any post office buildings on straight leases.

With respect to the year 1957, there will be no effect on our budgetary requirements because it had not been contemplated that any of these post offices would be ready for occupancy within the fiscal years.

The most optimistic expectations were that only a few of the 48 approved lease-purchase projects would have been completed for occupancy before June 30, 1958, and in the case of these only for a few months. In the meantime, other rentals on present buildings in these 48 communities would have to be continued. We estimated that the net effect of this program on our rent account in fiscal 1958 would have been considerably less than \$100,000.

Because of this, the budget was compiled on a basis of absorbing this nominal increase in rents out of our normal rent expenditures.

The entire annual rent payment for all lease-purchase projects that have been approved is limited to approximately \$2,118,000 a year. This amount, in part, is a replacement of existing rentals and, in any event, would not be payable until the new structures were completed and occupied.

Sincerely,

MAURICE H. STANS.

The following is a copy of a news release issued by Mr. Stans on the Appropriations Committee cut of \$58 million in the 1958 Post Office budget:

Deputy Postmaster General Maurice H. Stans warned today that the cut of \$58 million in the 1958 postal budget proposed today by the House Appropriations Committee would compel a drastic curtailment in postal service to the American people and reduce the Department employee force by approximately 10,000 vitally necessary jobs.

"The Post Office Department budget submitted to the Congress had already been trimmed to the workable minimum," Mr. Stans said.

"Furthermore, the Post Office Department is unlike most Government agencies in that it provides a daily service. It cannot repro-

gram its activities; in fact, the only way it can operate on less money is to cut the mail service to the public.

"If this drastic and ill-advised cut is allowed to stand, the Post Office Department will not be able to establish 5,000 city carrier routes needed in new and growing suburban communities within the next 12 months.

"The Department will also have to reduce materially its research and mechanization programs to speed mail through its old-fashioned and inadequate post offices and greatly reduce its modernization program of light, color, and ventilation, and related benefits to improve working conditions in obsolete facilities.

"Additionally, the Department will have to give serious consideration to curtailing mail service in one or more of the following ways on or before July 1.

"1. End Saturday mail deliveries; close post offices on Saturday.

"2. Reduce the frequency of rural free delivery service, now daily.

"3. Reduce the multiple—now three times a day downtown in most cities—delivery for business houses to twice a day.

"4. Eliminate the sale of postal money orders.

"At this time, when postal service is so vital to the national welfare," Mr. Stans concluded, "any significant curtailment of service would, in the long run, injure the people and the industry of the country.

"The American people want good postal service and are willing to pay for it. Thus I do not believe this unfortunate proposed reduction would serve the national welfare, nor be in accordance with the wishes of the people."

The Clerk read as follows:

SEC. 204. Amounts contributed by the Post Office Department to the civil service retirement and disability fund, in compliance with section 4 (a) of the Civil Service Retirement Act (70 Stat. 747), from appropriations made by this title, or from appropriations hereafter made to the Post Office Department, shall be considered as costs of providing postal service for the purpose of establishing postal rates.

Mr. GROSS. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make the point of order that the language contained in section 204, just read, is legislation upon an appropriation bill, that it deals with appropriations not contained in this bill, is not a limitation and therefore in violation of the rules of the House.

Mr. GARY. Mr. Chairman, would the gentleman reserve his point of order?

Mr. GROSS. No, I see no point in reserving it.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. GARY. Mr. Chairman, I do. I want to state to the House what this provision is. Last year, when the Congress passed the Civil Service Retirement bill, a provision was included that the Civil Service—

Mr. GROSS. Mr. Chairman, I shall have to insist upon the regular order. The gentleman is not addressing himself to the point of order.

Mr. GARY. Mr. Chairman, does the gentleman know what I am addressing myself to?

The CHAIRMAN. The Chair will state to the gentleman from Iowa [Mr.

GROSS] that the gentleman from Virginia [Mr. GARY] will address himself to the point of order.

Mr. GARY. Mr. Chairman, there was written into that bill by somebody a provision that civil service retirement payments of postal employees should not be considered in figuring the postal rates which is, of course, a ridiculous provision. This provision simply attempts to change that law and to say that civil service retirement payments which are part of the compensation of the employee, a part that he receives from his service, shall be considered in determining the postal rates under the rate law.

Mr. GROSS. Mr. Chairman, if I may be heard further, the gentleman, it seems to me, has admitted that this seeks to repeal a law enacted last year by the Congress. I insist upon my point of order.

The CHAIRMAN. The Chair has examined the provision against which the point of order is raised. It appears that it is legislation on an appropriation bill. The point of order is sustained.

BY WHAT STANDARDS IS THE POLITICAL ALLEGIANCE OF THE INDIVIDUAL TO BE DETERMINED?

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this vote we just heard is causing some of us considerable difficulty. You remember in the last campaign more than 9 million of a majority of us said, "I like Ike." I do, too. The 4th district of Michigan gave him 70 percent of its vote. I want to go along with Ike, but I am having trouble. It does not come from over on the Republican side. There is evidence that you gentlemen on the Democratic side have been converted and now want a little economy. I can go along with you without any difficulty.

You are now advocating a policy of economy for which I have long talked and always voted. Whether your present support comes as a result of grassroots pressure or from your own study and conclusions is of little importance. The fact that you now, as a group, advocate economy, reduction of expenditures of the Republican administration, is especially pleasing.

But here on our side, when we have the leader going one way and the assistant leader going the other way, it gets me all cross-legged.

I am having trouble, too, in determining whether I am a Republican.

Is a man's right to declare himself a Republican to be judged by his acceptance and support of the party's principles as disclosed by its history, or by the fiat of someone whose conceit causes him to declare himself a judge of party loyalty?

Whether the Republican Party was born at Ripon, Wis., or under the oaks at Jackson, Mich., is today of little relative importance.

Loyalty to that party's doctrine is of utmost importance when the right to use the party's name arises.

The first national convention of the party was held in Philadelphia, in June of 1856. The platform then adopted not only favored the admission of Kansas as

a free State, the restoring of the action of the Federal Government to the principles of Washington and Jefferson, but declared:

That the maintenance of the principles promulgated in the Declaration of Independence, and embodied in the Federal Constitution, are essential to the preservation of our republican institutions and that the Federal Constitution, the rights of the States, and the Union of the States, must and shall be preserved.

At the second Republican national convention held at the Wigwam in Chicago, in May of 1860, Abraham Lincoln became the nominee, and, at the next election, our first Republican President. Again, the platform declared the party's adherence to "the principles promulgated in the Declaration of Independence and embodied in the Federal Constitution."

It stated:

That the maintenance inviolate of the rights of the States, and especially the right of each State to order and control its own domestic institutions according to its own judgment exclusively, is essential to the balance of power on which the perfection and endurance of our political fabric depends.

From that day until acceptance of principle gave way to the desire for office, the principles of the party were adhered to by its candidates for the Presidency.

Under the two-party system, the voter had an opportunity at each presidential election to indicate whether he believed in and would support the principles enunciated in the Declaration of Independence and written in the Constitution.

Franklin Delano Roosevelt won office upon the campaign promises:

I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of current Federal Government operations by 25 percent.

I regard reduction in Federal spending as one of the most important issues of this campaign.

It is my pledge and promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unrelenting administration policy of living within our income.

We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of a contract to which they are asked to subscribe.

That party platform and the campaign promises were, within 6 months, repudiated. Legislation took from the citizen an ever greater number of his dollars. Channeled into Washington, they were extravagantly and often wastefully spent where it was thought the greater number of political votes were available.

Apparently dazzled by the political success of Franklin Delano Roosevelt, Republican candidates forsook the basic principles of the party. Seeking office, they promised a bigger, better spending program than that of the political opposition.

Then it was that Wendell Willkie, our 1940 candidate, frankly announced that campaign promises—and, by inference, platform promises—were but "campaign oratory."

Franklin D. Roosevelt's political success seemed to befuddle some Republican political bigwigs. They advocated—in fact, declared—what they were pleased to call a more liberal party program. In fact, it was a program which called for an ever-increasing burden upon the taxpayer, an ever-greater paternalistic attitude upon the part of the Federal Government.

Forgotten were the principles of the Constitution, the rights of the States, the freedom of the individual.

An ever greater number of dollars were extracted from the taxpayer; then, minus a substantial administrative charge, returned to him, provided he comply with drastic restrictions upon his personal freedom to conduct his own affairs in his own way.

MODERN REPUBLICANISM

A personal friend of the President and a self-announced pal, has stated that conservatives—that is, those who believe in the party platforms as adopted at the first and second Republican conventions in 1856 and 1860—should be purged from party ranks.

Ike's victory was cited as foundation for this demand. The fact that in many an election precinct the campaign money was spent for, the party workers devoted their efforts almost solely toward, Ike's election, ignored party candidates, is one reason for his overwhelming majority.

Other conservative Republicans had no choice but to vote for the Republican nominee.

The New Deal international program of the Democratic Party had not been copyrighted. Its success in harvesting votes was apparently the envy of liberal Republican politicians. They lifted much of it bodily and incorporated it in their own party pronouncements. And they caught a substantial number of voters who disliked the Democrat candidate, loved a promiser, no matter how impossible of performance the promises might be, how ruinous if kept.

Now, President Eisenhower, who is not only your President but mine, and the President of other conservatives, through Paul G. Hoffman, who has not—so far as we know—been told by the President that he spoke out of turn, told us in Collier's of October 26, 1956, "How Eisenhower saved the Republican Party." A party whose present legislative program, if read without its sponsors, might well be mistaken for a Roosevelt-Truman production.

My first participation in Republican Party activities was in 1884, when Blaine and Logan were our candidates. It was my privilege then, at the age of 9, to carry a torch and flag, ride a horse in an old-fashioned political parade. The chant was "Blaine, Blaine—James G. Blaine of Maine."

It may be that my reasons for being a Republican would not now pass the present test. They were then sufficient for me. My dad and mom were Republicans. The parade was on. Dad had a horse. I had a flag. The committee furnished the torch, and there was no reason why I should not then be a Republican.

Those reasons were apparently as sound as some of those now advanced by individuals who seek to take over the party organization, profit from the party label.

It would seem permissible for me—not in opposition to the President, but in opposition to being discriminated against and purged, refused standing in the party—in pursuit of my civil rights about which we hear so much—to take a look and to deny publicly the right of the administration's supporters to liquidate me and other conservatives. Just how long have these would-be purgers—the Stassens and the Paul Hoffmans—been Lincoln Republicans?

Now the President was Commander in Chief of the allied armies, which won World War II. As such, he had absolute power and his wishes became commands, not to be disobeyed.

But, although the President is now Commander in Chief of the Armed Forces, he is also President. The humblest citizen has the right to disagree, to criticize his pronouncements as President. This fact Paul Hoffman, and perhaps his associates, disregard, perhaps because hero worship, his conceit or his arrogance, has blinded him to the nature of our Government.

Referring to the President in the October 26, 1956 Collier article, Paul Hoffman wrote:

His whole nature was such that he felt he had to win everybody over to his point of view, that once he had persuaded them they would wholeheartedly cooperate. One of his personal aides said to me early in 1953:

"The boss thinks that if he can convince one of these characters that a measure is good for the country he can win him over, but he just doesn't know some of these blankety-blanks."

A vicious, thinly veiled false charge that even though convinced that a measure was good for the country, the legislators for personal gain would oppose it.

A kindly charitable thought? Not at all, just a cowardly insinuation that legislators lack intellectual integrity.

The quoted brief statement indicates that Hoffman was thoroughly convinced that the President, and only the President, was capable of deciding whether a legislative matter was good or whether it was bad.

He reaches the conclusion that those who do not wholeheartedly agree with the President should be characterized as blankety-blanks. That this view is not shared by all loyal Eisenhower supporters is evident from another paragraph written by Hoffman, and which reads:

What Eisenhower did not grasp was the entrenched power of some of the greater figures on Capitol Hill and how deep and firm were the rusty, old-fashioned convictions in which they believed.

Some of them, to be sure, came with him from the very beginning. In the House of Representatives, JOE MARTIN and CHARLIE HALLECK, whatever their own earlier feelings, went down the line for him.

I do not know which one went down the line today.

On one occasion CHARLIE HALLECK, shaking his head, said to me, "I've had to swallow hard two or three times because the boss

believes in things I don't, but he's the boss—and I assume he's right."

I have no criticism of Charlie, but you know the gentleman from Indiana. There is no criticism at all. He votes the way he believes he ought to vote, and that is all we can ask of anyone. Of course, I have no doubt that he had trouble swallowing it. He did have trouble swallowing it, but which one Joe or Charlie, had the trouble today I do not know.

Here again Paul Hoffman, in his assumed wisdom, charges that those who do not agree with the President entertain "rusty, old-fashioned convictions." He is liberal enough to add convictions "in which they believed."

Here again we have Hoffman's odious assumption that the President cannot be mistaken on a legislative program.

Note again Hoffman's statement that that very astute politician from Indiana, CHARLIE HALLECK, who has faithfully carried Ike's orders from the White House to the Hill, had on occasion to battle his conscience in order that he might "swallow" some of the President's policies.

What I say here is no criticism of HALLECK. We all like him. We all admire his fighting spirit. But some just cannot follow, nor swallow, everything that comes from down the Avenue. The Congress is not playing a game where we have a team captain, nor fighting a war where we have a Commander in Chief whose orders are absolute. There are 435 of us, and each owes some degree of allegiance, not only to the President but to the people of his district and to the State from which he comes.

Nor did the President's spokesman in his tirade published just 11 days prior to election day confine his demand that Republicans be defeated to the Members of the House. He wrote:

In the Senate, there are too many Republican Senators claiming the label Republican who embrace none or very little of the Eisenhower program and philosophy.

This group can be divided into two splinters. One splinter contains men like Senator Joseph McCarthy, of Wisconsin, Senator William Jenner, of Indiana, Senator Herman Welker, of Idaho, Senator George Malone, of Nevada, who can be called the unappeasables. I shall not try to stigmatize the dangerous thinking and reckless conduct of these men except to say that, in my opinion, they have little place in the new Republican Party.

Here again, the President's pal, Paul Hoffman, assumes to speak with the voice of the Almighty. He attempts to castigate the voters of Wisconsin, of Indiana, of Idaho, and of Nevada—some 2,057,192 of them—for their choice of Senators.

If the President believes in a free election, in the right of the voters to exercise their franchise under the Constitution—and you will note he has sent up again, as he did in the last session, a civil-rights bill—why not a repudiation of that statement.

The mouthpiece speaking with or without authority goes even further. He not only condemns absolutely those who differ with the President on some of

his policies, but he demands complete servile obedience to the President's slightest wish. He wrote:

The other splinter within the dissident third consists of what I consider the faint-hearted group: Men like Senator HENRY DWORSHAK, of Idaho, Senator ANDREW SCHOEPP, of Kansas, Senator BARRY GOLDWATER, of Arizona. This splinter has been unable to demonstrate, conclusively and permanently, that it accepts the modern America with its needs of social security, or balanced labor-management relations, or government partnership and guardianship of our complex economy. Nor, being still wedded to the old-fashioned idea of fortress America isolated in space, can it accept America's role as the chief champion of peace and decency in active international relations.

Again condemning the voters—480,207 of them—of 2 additional States.

That the administration is more interested in establishing a new party than in adherence to party principles is evident from this Collier's article. There we find this statement:

A century ago when the Republican Party was founded, half of all Americans worked for themselves in small businesses or on small farms.

Now it is quite true that the situation in America has changed vastly from what it was when the Constitution was written, when the Republican Party was founded, when its first President was elected.

Despite these changes, it is also true that from 1861 to 1933, Republican Presidents were in office three-fourths of the time. They, with the Congress, shaped a governmental policy which encouraged the development of the country's resources, built up its defenses, made it powerful both from an economic and a military standpoint, and insured to its citizens the greatest degree of liberty and freedom of action ever given to citizens anywhere.

True. Many a thing deemed impossible in Lincoln's day is commonplace today. Man has seemingly conquered distance and the air. His destructive power is said to be such that he could in an instant destroy civilization.

But his jets, his missiles are still pulled to the earth by gravity. He has no power to make life everlasting, to defeat death. He has no power to hasten the rising of the sun, nor to delay by the fraction of a second its setting.

The spirit, the courage which sustained the Christians in the arena at Rome is still with those who believe in God and nature's laws.

Now it may be, as stated in Collier's, that—

But by and large, the nature of the party in 1956 is almost totally different from what it was in 1952—either in personalities, or in the philosophy of Republican stalwarts who have come to accept Eisenhower's leadership wholeheartedly.

That is but the wishful thinking of a superficial individual who mistakes expediency for conviction.

It is also true that neither a house built upon the sand nor a political party

¹ St. Matthew (7: 24-27):

"Therefore whosoever heareth these sayings of mine, and doeth them, I will liken

built upon the political theory that deficit spending is sound can long endure when comes adversity's test.

It may be true that occasionally an able, kindly, liberty-loving dictator may for a short time more efficiently administer the affairs of a nation than can a people's government. History demonstrates, however, that a beneficent dictator is invariably followed by a tyrant and chaos.

ALLEGIANCE TO WHICH PARTY?

We have been told that the President had some difficulty in determining, when he decided to embark upon a political career, whether he would run as a Democrat or as a Republican. It is perhaps unfortunate that he gave no evidence of having outstanding sincere convictions as to the principles of either party.

We have also been told by some of his more slavish admirers that he should be nominated by both parties, giving us thus a single candidate and expediting the end of two-party constitutional government.

We have been told:

"I can tell you one thing," the President said to several intimates in 1953 and 1954, "if I ever do run again, it'll be as an independent."

Hoffman in Collier's gives us a glimpse into the future:

Given 4 more years of Eisenhower, his labors may achieve something unique in American politics, a party that is fundamentally pressureproof; something profoundly superior to its great rival, the Democratic Party, whose irreconcilable differences leave it permanently open to the pressure of contending narrow-interest groups.

Second only to his labors for peace, the creation of this new party may go down as Eisenhower's greatest achievement.

Perhaps the magnificent popular vote given the President last November may convince him and some of his admirers and supporters that at last America has discovered the indispensable man.

Perhaps the President, being an able, kindly, courageous, determined, patriotic man, thoroughly convinced that he can best serve his country, may be the father of a new party so sound in its policy, so perfect in its operation, that critical views will not exist. But that situation is unlikely because all are not made in the same mold.

Perhaps we have reached that stage in our political history where some think one major party is sufficient.

It might be noted in passing that the President—and there is no criticism in this statement—has given our Democratic political opponents a large share in party policy. To aid him in the for-

him unto a wise man, which built his house upon a rock:

"And the rain descended, and the floods came, and the winds blew, and beat upon that house; and it fell not: for it was founded upon a rock.

"And every one that heareth these sayings of mine, and doeth them not, shall be likened unto a foolish man, which built his house upon the sand:

"And the rain descended, and the floods came, and the winds blew, and beat upon that house; and it fell: and great was the fall of it."

eign policy field he has chosen that master statesman of the Senate, Walter F. George, and our very patriotic and capable former chairman of the House Committee on Foreign Affairs, James P. Richards. Are they now, in the opinion of our delightful party censor, Republicans in good standing?

To assist him in his arduous official duties, the President has appointed prominent Democratic party workers to policymaking positions.

To office he has appointed, among others, Joseph A. Jenkins, a protégé of former Democratic House Member and Senator, Abe Murdock, to the National Labor Relation Board; Thomas J. Donagan, a reformed Democrat, to the Subversive Activities Control Board; Gordon Gray, Secretary of the Army under Truman, to be Defense Mobilization Director; Lawrence G. Derthick, Tennessee Democrat, to be United States Commissioner of Education; Dr. Leroy E. Burney, who started with a Democratic appointment and is a career Public Health Service Officer, to be United States Surgeon General; Howard W. Habermeyer, a Democratic patronage appointee, to be Chairman of the Railroad Retirement Board.

Perhaps these appointments are in recognition of the support given the President by Democratic voters. Are they now Republicans supplanting individuals who have accepted Republican principles for, lo, these many years?

However, the President's advisers seem to have overlooked one fact, which is that conservatives the Nation over—millions of them—gave him substantial support at the polls. Support without which he might well have been defeated.

WHO—WHAT—IS A REPUBLICAN?

Until the coming of the present administration, there was room in both parties for the groups which believed in and entertained views which had historically become associated with the political activities of the two parties.

The Democratic and the Republican Parties being nationwide, their members had divergent interests, but each followed certain basic and fundamental views.

The national Democratic Party was never strong enough to win an election without the solid South. Roosevelt, deceived and unduly elated by the popular vote he received, overestimated his political power; thought himself to be the party. Only in Roosevelt's time was any effort made to purge from the party the people's elected representatives.

That move, we know, met disastrous failure.

Certain individuals and groups in the Eisenhower administration, overelated by the President's tremendous personal popularity, in their conceit and ignorance seem to have reached the conclusion that he is, as suggested, the indispensable man—the man on horseback; the dispenser at home and abroad of unlimited funds.

Permit another repetition. Conservatives will go along wholeheartedly and enthusiastically with the President's ef-

fort to take the Government out of competition with private business.

They will go along with a sincere and successful effort to bring not only legality and honesty, but ethical conduct in the administration of public affairs.

They will go along with many another sound effort on the part of the administration to give us national security, a stable domestic government.

But they will not humbly and without protest submit to being read out of the party by a group of Johnny-come-latelies, who have no worthwhile accomplishments to prove their right to destroy historic Republican Party policies and principles.

Neither Stassen, Paul Hoffman, nor any other politically idealistic crackpots will without protest be permitted to read out of the party those who for years have given it allegiance, been loyal to it.

True, there is no authority like that exercised by the Food and Drug Administration which can prevent the use of the Republican label by any group, but the quackery of the nostrum attempted to be put forth under that label will be its own destruction.

It may be that by this administration conservative Republicans will be kicked out of policymaking positions; that they will be denied positions of influence in the party organization. But it can hardly be expected that, expulsion from the party organization they will cravenly, quietly accept.

Conservatives are a stubborn breed. They have convictions which many of them have entertained for years—some before Paul Hoffman was born, some before the President. Many of them are diehard individuals, and it is possible that ultimately, if the so-called liberals—those who have forsaken constitutional principles, turned their backs on sound business practices, attempted to steal a party label—succeed in purging them from the party, liquidating them politically, a new party may arise, as did the Republican Party in the late 1850's.

Failing that, it is obvious to every student of history that, if the purgers succeed and continue indefinitely the policies of a Hopkins, which they seem to have adopted—to tax and tax, spend and spend, and elect and elect—this glorious Nation of ours will ultimately destroy itself.

The President's recent warning of the danger of inflation is but a repetition of a truth uttered as early as July of 1932 by Franklin Delano Roosevelt, when he said:

Revenues must cover expenditures by one means or another. Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.

In 1932 it was at least some consolation that our spending was for our own people. In recent years, billions upon billions have been wasted in a foreign-aid program for which there is now no longer even the semblance of an excuse.

The Stassens, the Paul Hoffmans, the wasters, the spenders—those who would fritter away our national independence

by making us the stooge of ambitious, self-seeking foreign politicians—possess neither superior knowledge nor experience which qualify them to dictate to the sovereign people of the States the political policies they should follow, the individuals they should elect to represent them in Congress.

If a purge of Senators and Representatives becomes necessary, the people, the voters, will bring it about without the aid of egotistical, self-anointed, unqualified advisers.

The Clerk concluded the reading of the bill.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves that the bill H. R. 4897 be recommitted to the Committee on Appropriations.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

INVESTIGATIONS BY COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 149, Rept. No. 143), which was referred to the House Calendar and ordered printed:

Resolved, That, effective from January 4, 1957, the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, is authorized to conduct full and complete studies and investigations and make inquiries relating to matters coming within

the jurisdiction of such committee, including but not limited to the following:

(1) administration and operation of the Federal Maritime Administration and Federal Maritime Board and all laws, international arrangements, and problems relating to the American Merchant Marine;

(2) administration and operation of the United States Fish and Wildlife Service and all laws and problems relating to fisheries and wildlife;

(3) administration and operation of the Coast Guard, Coast and Geodetic Survey, and all laws and problems relating to functions thereunder;

(4) administration and operation of the Panama Canal and all laws and problems relating thereto, together with the necessity of providing additional transiting facilities for vessels between the Atlantic and Pacific Oceans.

For such purposes the said committee or any subcommittee thereof as authorized by the chairman is hereby authorized to sit and act during the present Congress at such times and places within the United States, its Territories and possessions, whether the House has recessed, or has adjourned, to hold such hearings, and to require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents, as it deems necessary. Subpoenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

COMMITTEE ON EXPENDITURES, H. R. 3028

Mr. O'HARA of Illinois. Mr. Speaker, at the request of the gentleman from Illinois [Mr. Dawson], I ask unanimous consent that the Committee on Expenditures may have until midnight tonight to file a committee report on the bill H. R. 3028.

The SPEAKER. Is there objection? There was no objection.

PROVIDING INTERIM ASSISTANCE THROUGH THE FEDERAL NA- TIONAL MORTGAGE ASSOCIATION

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 161) providing for the consideration of House Joint Resolution 209, to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 209) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation

of housing credit conditions. After general debate, which shall be confined to the joint resolution and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman of ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommend.

Mr. MADDEN. Mr. Speaker, House Joint Resolution 209, which was reported unanimously, without amendment, from the Committee on Banking and Currency, is a stopgap measure to provide immediate assistance to the secondary market operation of the Federal National Mortgage Association, often referred to as "Fannie May."

During 1956 the shortage of private funds for FHA and GI loans became acute and it was necessary for mortgage originators to rely more and more on "Fannie May's" secondary market to buy FHA and GI loans. Thus, the unobligated resources of the association were reduced by the end of last month to \$140 million.

The present capital stock subscriptions total \$109 million. Under the present charter, FNMA's borrowing authority is limited to 10 times the sum of its capital and surplus. Thus, the present borrowing authority is approximately \$1,100,000,000. Section 1 of the resolution provides an increase of \$50 million in FNMA's capitalization which would increase the total capitalization to \$159 million, and thereby increase the total borrowing authority, using the 10-to-1 ratio, to approximately \$1,600,000,000.

To accomplish the increase in capitalization, the FNMA would deliver to the Secretary of the Treasury an additional \$50 million of its preferred stock in exchange for an equal amount of its notes held by the Secretary of the Treasury.

At the present time the maximum amount of FNMA's secondary market operations obligations which the Secretary of the Treasury may purchase is limited to \$1 billion. Section 2 of the resolution would increase the amount which the Secretary of the Treasury may purchase to \$1,350,000,000.

The Banking and Currency Committee points out in its report that there is a great need for study and legislation on the serious mortgage credit problem. The Subcommittee on Housing will begin hearings early next month so the full committee may consider, in the near future, the recommendations of the subcommittee for legislation which will provide greater and more lasting assistance in this field than the legislation we will have before us today.

The committee report complies with the Ramseyer rule and I urge the adoption of House Resolution 161 so the House may proceed to the consideration of House Joint Resolution 209.

Mr. Speaker, this resolution was reported unanimously from the committee.

I now yield 30 minutes to the gentleman from Illinois [Mr. Allen], and I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

REMARKS OF REPRESENTATIVE WRIGHT PATMAN AT THE MEET- ING OF THE DEMOCRATIC NA- TIONAL COMMITTEE AND NA- TIONAL ADVISORY COMMITTEE, SAN FRANCISCO, FEBRUARY 15, 1957

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am inserting herewith a speech I delivered last Friday in San Francisco. It is as follows:

FOUR YEARS OF TIGHT CREDIT

Mr. Chairman and fellow Democrats, I am indeed honored to be out here in San Francisco and to have the privilege of addressing this meeting. It is a great pleasure to meet with so many outstanding Democratic leaders, members of the Democratic National Committee and the National Advisory Committee, leaders from the West and from all over the Nation.

Democratic workers out here in the West did a splendid job in the last election. You sent to the Congress many new Democratic Representatives and Senators, who represent the best principles and ideals that our party stands for.

I want to talk to you today about an issue that has personal meaning for every one of you, for it threatens our system of free competitive enterprise and the economic future of our Nation.

HISTORIC SIGNIFICANCE OF TIGHT MONEY ISSUE

That issue is the tight-money policy that the Eisenhower administration has been following for most of the past 4 years. The controversy over tight money is not a new one. The battle over monetary and credit policy has been waged intermittently over the years. It goes as far back as our history.

The first sharp distinctions between the economic philosophy of the Democratic Party and that of the Republican Party emerged in the great debates of the 1890's. We became identified as the party that is dedicated to advancing the interests of all the American people—not just a few. We took the position that our economy must be kept free from banker and monopoly control.

The Republican Party identified itself as the party of the people with property and large accumulations of savings. The slogan "sound money" became the Republican slogan in the 1890's and it is still their slogan today.

The money issue in the 1890's was a symbol, just as it is today. Many who did not agree completely with Bryan on the currency question nevertheless, supported Bryan. They rallied to the side of the Democratic Party, because they knew that underlying the so-called sound money issue there was the far more important issue—Should the value of the dollar be placed ahead of the welfare of the people? Should a handful of powerful banks and monopolies be allowed to decide how our economy shall grow? How our resources shall be developed and by whom? and, How

the fruits of our abundance shall be shared? Those were the real issues then. They remain the real issues today.

We Democrats have always held that the credit of the United States should not be used to enrich just a few and strengthen their power over the economic life of the Nation. Democrats have always insisted that human welfare, the value of human beings, and their economic security are far more important than the goal of the stable dollar. Democrats have held that a primary objective of credit is to help raise living standards by promoting economic growth.

Today, as we reiterate those views clearly and unmistakably, we strengthen our identification with the great Democratic traditions of the past.

Discussion of the current tight money issue requires that I take you back briefly in history. Banker control over our economy in the 1920's, aided and abetted by a great depressionmaker, had pushed us into the depths of the worst economic disaster ever known.

To lay the basis for our economic recovery, President Roosevelt had to break the bankers' grip over our economy. He did this through the creation of the great Government lending and insuring agencies: Federal Housing Administration, Rural Electrification Administration, Farm Credit Administration, Home Owners' Loan Corporation, Export-Import Bank, Reconstruction Finance Corporation, and many others. These agencies made long-term, low-interest-rate credit available for farmers, home builders and home purchasers, rural electrification and the expansion of international trade. HOLC saved the homes of millions of American families. REA brought electricity to the farm and broadened the market for electrical appliances of all sorts to the tune of over \$15 billion.

New Deal credit policies not only broke the grip of the bankers over our economic life, but they helped bring about a more even distribution of income. Instead of channeling interest income into the lending institutions and the top 1 percent of the income receivers, sharp reductions in interest rates helped achieve the broad distribution of purchasing power that made possible the sustained postwar prosperity.

ORGANIZED GROUP STARTS CAMPAIGN

Naturally, the bankers did not like to give up their power and prestige. When President Roosevelt died, they organized a powerful propaganda group under the leadership of the vice president of the National City Bank of New York, a longtime employee of the Federal Reserve Bank of New York and former manager of open market operations for the powerful Open Market Committee. He was chosen as the ideological spokesman for the Committee on Public Debt Policy. The committee began its operations in 1946. Their propaganda campaign was directed against support of Government bonds at par and stable low interest rates.

In 1947 and 1948, an unceasing attack was waged against the administration's policy of supporting interest rates at low levels. Insurance companies dumped their Government bonds on the open market in an attempt to force prices down and push interest rates up. Demands for unpegging the Government bond market came from all the big bankers. But President Truman held firm. The election results of November 1948 vindicated the policy of maintaining Government bonds at par and interest rates at a low level.

Following the 1948 elections, the attack subsided. The bankers awaited a more opportune time to renew the attack. That moment arrived at the end of 1950 during the dark tragic days of the war in Korea. It was then that the bankers made their bold bid for power. They pressed the Chairman of the Federal Reserve to defy the President

and declare the independence of the Board, which was done March 4, 1951.

In the struggle, an accord was reached between the Treasury and the Federal Reserve. Contrary to the popular impression, this accord did not relieve the Federal Reserve of responsibility for maintaining stable conditions in the Government-bond market, nor did it give the Board a license to raise interest rates sky-high.

The fact is that the Board moved cautiously until after the November 1952 elections. After the November 1952 elections, the leader of the campaign to boost interest rates was appointed Deputy to the Secretary of the Treasury, in charge of debt-management and monetary affairs. Putting a man like that in a position where he can raise interest rates at will is certainly not in the public interest.

MAJORITY OF NEW YORK FEDERAL RESERVE BANK DIRECTORS BROUGHT TO WASHINGTON IN 1953

In addition, four other directors of the powerful New York Federal Reserve Bank, making a majority of the directors, were brought down to fill key positions in the new administration. Think of it, directors selected by the very banks that had been campaigning for higher interest rates, against farm price supports, the various Government lending and insuring programs, the welfare programs of the Government, and even the Employment Act itself, these men were given key positions in the new administration.

It was not hard to predict the financial approach that the new administration was going to take. If anyone had any doubt, the new Deputy to the Secretary of the Treasury dispelled it. He announced that the chairman of the Federal Reserve would be retained by the new administration and that henceforth the Board would be completely free and independent. It was clear that we were in for good old-fashioned republicanism. They may call it modern republicanism, but the sound dollar policy is a cold-blooded impersonal, devil-take-the-hindmost policy.

EFFECT OF SOUND DOLLAR POLICY—INTEREST RATES GO SKYWARD

What has happened under the sound dollar policy? Interest rates have gone skyward. All except the biggest corporations have felt the impact of rising rates and tight credit. Big business gets the materials and labor; small business is denied credit for materials and labor because to extend credit to small business, we are told would be inflationary. We were told that Government spending would come down because Government spending is inflationary. But the Treasury is paying close to a billion dollars a year in higher interest charges on the national debt compared to 1952. The Treasury is paying short-term interest rates today that are higher than at any time in recent history, except for the period of bank failures in 1932 and the closing days of the 1929 stock-market boom. The floating debt has been increased, not reduced; and the average maturity of the debt now is less than it was in 1952. If the debt were refinanced at current rates, it would add \$2 billion a year to interest charges.

FARMERS, SMALL BUSINESS, AND HOME BUILDERS DEFLATED

Farmers and small-business men have been deflated to preserve the fiction of stable prices. In 1956, the big monopolies raised prices with such a vengeance that even the deflation of the farmer and small-business man could no longer hold the lid down. Prices broke through to new record highs.

With the election out of the way, we have been hearing depression talk from Mr. Hoover and Mr. Humphrey. It looks like they are preparing to put the workers, farmers, and small-business men through the wringer again.

The housing industry, a key industry in our economy, is being strangled by the tight-

credit policy. Housing has been deliberately cut back to accommodate the big business investment boom. Interest rates on Government underwritten FHA and VA home mortgages have been boosted upwards. From a level of 1.3 million housing starts in 1955, we have been a decline last year to approximately 1.1 million dwelling units, and the paralyzing mortgage-credit crisis shows clearly that the road ahead still points steeply downhill.

SERIOUS SLUMP IN HOME BUILDING—MAINLY IN LOWER PRICED HOMES

The serious slump in home building is even more sobering when the problem is analyzed on a per capita basis. In 1950, when housing starts reached an all-time peak of 1.4 million, this meant that 9 houses were constructed for every thousand persons. Under the tight-money policy, we have been falling further and further behind in our goal to provide a decent house for every American family. In 1956, less than 7 houses were started per thousand population. This is a per capita rate of 27 percent below the 1950 rate.

Prospective homeowners and homebuilders, like all small borrowers, have been viciously hit by the tight-money policy. It is most disturbing to realize that the heaviest impact in the housing market has been in the lower-priced homes for families in the middle-income bracket. Virtually all of the substantial decline in housing construction, which has taken place in the last year, has occurred in the FHA and GI loan programs, and these are the programs which encourage construction in the lower price ranges.

ADMINISTRATION SOLUTION—HIGHER INTEREST RATES

As the situation worsened during 1956, the administration finally acted and, typically, it took the only kind of action which it seems to understand, namely, to raise interest rates further. In December, despite the obvious damaging effect which the action would have on the GI loan program, the administration raised the interest rate on FHA mortgage loans to 5 percent per annum. It is shocking when one realizes that under a Government-supported program, the home buyer is now forced to pay 5½ percent on a Government-insured loan. (The 5½-percent burden derives from the 5 percent interest and the one-half of 1 percent of FHA annual insurance premium.)

The administration's action increasing the FHA interest rate was just another cruel episode in the tight-money tragedy now being enacted. It has literally created chaos in the home-building and mortgage-finance field.

Now the administration is insisting that the Congress must raise the interest rate on GI loans, in order to bring it into parity with FHA loans. The resistance, which the administration has encountered on this proposal, should have surprised no one. Congressional opposition to a higher GI rate is not difficult to understand. Congressmen have memories and many of us recall the setting in the spring of 1953, when the administration raised the GI rate from 4 percent to 4½ percent just 4 days before the Federal Reserve began to ease credit. Actually there was no noticeable increase in GI financing until more than a year later when the 1954 recession got underway.

SCANDALOUS DISCOUNT PRACTICE

Scandalous mortgage discounts are being imposed by lenders. The Wall Street Journal (February 7, 1957) reported that "interest rates as high as 7.2 percent are charged by a savings and loan association in Los Angeles . . . second mortgage rates go through the roof. . . . A few Los Angeles lenders reportedly charge up to 25 percent, including discounts." This practice is not confined to Los Angeles. It is widespread. Our Government is encouraging lenders to

ride roughshod over State usury laws, by condoning these vicious discounts.

Our Government is being accused by our citizens of being in a racket. The Federal National Mortgage Association is aiding and abetting this racket by buying Government underwritten mortgages at far below their face value.

If "Fanny May" is going to pay only \$9,350 for a \$10,000 VA-guaranteed mortgage, why should a GI be required to pay back more than the \$9,350 that "Fannie May" paid to the originator of the loan?

Why should those scandalous discounts help build up the assets of the Federal National Mortgage Association until the day when the private lenders get ready to take it over?

WHERE WILL IT ALL END?

Where will all this end? Obviously we cannot continue the interest-boosting process indefinitely, because sooner or later—and I am inclined to think it will be sooner—we will reach a point where consumers will just not be able to pay the interest costs on borrowed money.

At some not-too-distant point, we will find that home buyers will not be able to meet the monthly payments on the mortgage loans needed to sell new homes.

The cutback in housing has already been felt in the lumber industry out in the Pacific Northwest and we have felt it in east Texas, too.

The home-appliance industry has also felt the repercussions of fewer homes being constructed. Workers have been discharged in plants making washing machines, refrigerators, electric ranges and dryers and other household appliances, all because the bankers have decided that housing should be postponed.

SCHOOLS HELD "POSTPONABLE"

Schools have also been tagged as "postponable." States and municipalities have found it increasingly difficult to sell their issues in the tight-credit market of 1956. Over a quarter of a billion dollars of tax-exempt bond issues were postponed in the fourth quarter of 1956.

What needs could possibly have a higher social priority than homes and schools? Yet, the so-called free money market attaches a "marginal" status to schools and home construction and allocates credit to private projects of lesser urgency and much lower social priority.

This kind of irrational rationing is the result of the tight-money policy. I, for one, am not willing to passively accept such allocation decisions. I do not think that we can or should deal impersonally with such urgent needs as moderate-priced housing and schoolrooms.

TIGHT MONEY PROMOTES MONOPOLY

What are the other consequences of bank rationing of credit in a tight-credit economy? Look at what has been happening to small business and the family-size farms in the past 4 years. We have been moving in the direction of over-growing monopoly control in manufacturing, fewer and fewer units in retailing and collectivization of agriculture.

Prof. John K. Galbraith of Harvard University writes in the February 1957 issue of the Atlantic that:

"It would be hard to find a policy better designed to encourage the large and the strong at the expense of the small and weak. When banks must limit credit, they are impelled to protect their oldest, strongest, and most reliable customers. These, in general, will be the larger firms."

Commenting further on the implications of the tight-credit policy, Galbraith adds:

"While in principle everyone is in favor of the small-business man, it has long been clear that this affection is largely verbal. We grieve terribly over his fate, but not to

the point of doing anything about it. And it is true that big business is here today and doubtless will get bigger. Nonetheless, we should recognize that monetary policy, as it is now being practiced, is a magnificent instrument for promoting centralization. A move at the present time to repeal the anti-trust laws would, without doubt, excite considerable opposition. But it might contribute less markedly to industrial concentration than a long continuation of monetary restraints in their present form. These deny to the smaller and weaker firm the funds on which growth or even survival may depend. The large and the strong tend to get them. The consequences must be clear." (The Atlantic Monthly, February 1957, p. 40.)

Professor Galbraith is right about the monetary policies squeezing out small business and increasing industrial concentration, just as effectively as would the repeal of the antitrust laws.

FAILURES 62 PERCENT ABOVE 1952—MERGERS AT 25-YEAR PEAK

Since 1952, small business failures have mounted alarmingly. The 12,686 failures recorded in 1956 were 67 percent above the 1952 rate. Mergers are at a 25-year peak. In 1955, corporate mergers reached a quarter of a century high of 846; but in 1956, this record was exceeded by the more than 900 competitive significant mergers that took place. Tight credit was at the top of the list of the reasons given for the 1956 small-business toll.

SORRY RECORD OF SBA

Yes, we do have a Small Business Administration that is supposed to make credit available to small business when it is not available from private sources. Our House Small Business Committee's final report for 1956 analyzed the SBA's loan activity for the 3½ years that it has been in existence. We found that the SBA has done its best to discourage small-business applicants from seeking credit aid. Out of approximately half a million loan inquiries received in the 3½ years of its existence, SBA only accepted 13,000 applications and approved 1,292 direct small-business loans (about 3 per congressional district averaging 400,000 people, or 1 each year), amounting to \$54 million. This amount was less than the RFC used to make available to small business in a single year's operations. That is the extent of the SBA loan program set up to serve the credit needs of 3½ million small businesses accounting for between one-third and one-half of the Nation's manufacturing.

On the basis of the SBA's performance to date, it might have better been called an act for the relief of General Motors. There must be hundreds of thousands of small-business men who have worn out their automobiles in the process of spinning their wheels while trying to get SBA credit aid. An official of the Pittsburgh Small Manufacturers Council told the Wall Street Journal, "If you can get a loan from the SBA, you can certainly get it from a bank."

PLENTY OF CREDIT FOR BIG BUSINESS

While credit for small business has dried up, Federal credit assistance to promote the foreign operations of big business has greatly increased. A good example is the Export-Import Bank. This agency, capitalized entirely by the United States Government, had its lending operations increased from \$500 million to a total of \$5 billion upon the recommendation of the administration in 1954. In 1 year, from November 1954 to September 1955, export credit lines in the amount of \$92.8 million were granted to 12 big corporations to finance their sales abroad on easy credit terms. These 12 corporations got substantially more credit aid

than all small business got from the SBA in the comparable period of time.

I am not opposed to expanding our foreign trade. But I am opposed to a policy which says it is not inflationary to give big business all the credit it wants but it is inflationary to provide small business with the credit aid it needs.

DOES TIGHT MONEY FIGHT INFLATION?

We are told that the tight-money policy is necessary to prevent inflation. We are told that we are trying to do things too fast.

What are the factors contributing to inflation? Of all the factors contributing to price increases I can think of none more potent than the scarcity of credit, which restricts production and the rise in interest rates which increases costs. Fighting inflation with tight credit and high-interest rates—particularly the type of administered price inflation that we have—is like trying to put out a fire by pouring gasoline on the flames.

I asked the Chairman of the Federal Reserve recently whether even more restrictive monetary policy could have prevented the steel companies from raising their prices, and his answer was, "No; monetary policy could not have." The truth is that these giant monopolies ignore credit policy. They cannot be touched by credit policy. They do their financing through costless capital by raising prices to the consumer—to you and me. And we do not get any equity in new plants and equipment that we pay for—it is our involuntary investment. This is contrary to the private competitive enterprise system.

In 1956, corporations invested \$30 billion in plant and equipment outlays. They obtained \$24.5 billion, or over 80 percent, from retained profits, depreciation, and rapid amortization allowances.

FAILURE OF TIGHT MONEY POLICY

Four years of the tight-credit policy has ended in failure. It has not prevented prices from being boosted by the giant monopolies. It has done immense harm to small-business men, to the farmer, and to the home-building industry. It has retarded essential State and local public projects, particularly school construction. It has restricted our growth. We have become so preoccupied with the danger of inflation that we have grown complacent about our rate of economic expansion, which has fallen dangerously below our rate of growth prior to 1953.

SERIOUS IMBALANCES ACCOMPANY HIGH INTEREST RATES

In our worry about inflation, we have overlooked serious imbalances in our economy, which have been accentuated by the tight-credit policy. High interest rates have been accompanied by inflated corporate profits, dividends, and interest income, while farm and small-business income has been deflated and consumer purchasing power has lagged behind the increase in investment.

From 1953 to 1956, farm income fell 12 percent; corporate profits rose 17 percent; dividends increased 29 percent; and interest income rose 27 percent. Labor income and personal income rose only 14 percent in the same period.

LESSONS OF THE TWENTIES

This trend in income distribution is familiar. A similar pattern produced the last depression. During the twenties, the rise in investors' incomes stimulated investment and pushed up stock prices. On the other hand, the lag in consumers' incomes kept consumer purchasing power behind the expansion of productive capacity. The result was a collapse of new investment.

If more had gone into consumption and less into investment and speculation, we might have avoided the 1929 crash. This was a demonstration of the fact that you cannot fatten the herd by feeding the bull.

NEED TO REVERSE TIGHT MONEY POLICY SOON

I am greatly concerned about the effect of this tight-money policy on our economy. I think it ought to be reversed and soon. There is not enough concern about the hardships of deflation, unemployment, business failures and farm foreclosures. I am more concerned about the recent rise in unemployment to nearly 3 million; about the lack of classrooms for our children; about our great housing needs; and about the growing threat of monopoly control than I am about the danger of inflation. Experience has shown that we have many weapons to effectively cope with inflation, but our ability to reverse a depression has yet to be demonstrated.

CONGRESS WILL OVERHAUL FNMA AND SBA

This Congress is going to look very closely into a number of important Federal credit programs. I have in mind, particularly, the Federal National Mortgage Association and Small Business Administration credit programs. We are going along on the interim financing of FNMA because they are in an emergency; and without the additional capital to permit FNMA to carry on its secondary market operations, the homebuilding industry might well come to a screeching halt. But beyond this interim financing, we are going to look FNMA over from top to bottom. We intended this facility to provide mortgage assistance to satisfy the housing needs of the millions of moderate-income families who need homes at prices they can afford to pay. We intended this facility to channel funds into mortgage financing in times of tight credit, so that the homebuilding industry could maintain volume production.

We did not intend this facility to help mortgage bankers drive up interest rates. Nor does this facility exist for the sole purpose of providing liquidity for mortgage bankers. We ought to try and get FNMA back on the right track when the matter of additional financing comes up later this session. If I thought that higher interest rates would provide GI's with the housing they need at the prices they can pay, I would be for a 5-percent rate. But the insurance companies have testified before the Veterans' Affairs Committee that even 5 percent would not channel sufficient money into VA-guaranteed mortgages.

Congress has been warned by the administration that unless we raise the interest rate ceiling on loans guaranteed by the VA to 5 percent, the GI program will be deadlier than a dodo. The Under Secretary of the Treasury has stated that if the Congress should enact legislation to use national service life insurance fund premiums to support VA-guaranteed loans, he would recommend that President Eisenhower veto such a bill.

I think the time has come for the Congress to call a halt. It is time to notify Mr. Burgess that his interest-boosting days are over. I have introduced a bill to use up to 25 percent of the national service life insurance fund to support GI mortgages at 4½ percent and to prohibit mortgage discounts. No risk is involved to the national service life insurance fund. In fact, the return to the fund would be increased 50 percent—4½ percent compared to the 3 percent it is now receiving. And the VA has acknowledged that the use of these funds would make GI mortgage financing easier for veterans to obtain. I think Congress will enact a national service life insurance support bill. We are going to hold the line on the 4½ percent GI ceiling interest rate.

In addition to providing low-cost housing credit, we have got to be prepared to undertake a really massive credit-assistance program for small business. This is literally a matter of whether small business shall survive or be decimated. The SBA loan program has been a total bust. I venture that administrative expenses of SBA and the expenses incurred by small business loan applicants have substantially exceeded SBA's credit disbursements to small business.

Our House Small Business Committee has recommended establishment of an adequately capitalized Small Business Bank, designed to realistically meet the credit needs of small- and medium-sized firms, who are capable of expanding and competing effectively with their giant rivals.

NEED FOR A FULL SCALE MONETARY STUDY

There are many other credit problems that need to be tackled, not the least of which is the problem of State and local public works project financing. The consumer credit control issue will be raised again when the Federal Reserve Board study is released soon.

These are only a few aspects of the problems we face in the field of monetary and credit policy. Everybody seems to be in agreement that the time has come for a full-scale study of the Nation's financial machinery. We are operating under laws enacted 20 to 40 years ago. In the meantime, the financial institutions of the country have undergone revolutionary changes. The structure of the money market is something we know very little about. Yet, we are relying on that market, to a great extent, to perform a key stabilizing and resource-allocating function. The question of who shall conduct this study is crucial. Determination of the Nation's monetary and credit policy is an inescapable constitutional duty of the Congress. In order to legislate wisely, Congress must be informed. And there is no substitute for firsthand inquiry and observation to be fully informed. There is a great danger, too, in making an inquiry of this sort the exclusive business of monetary experts. We will be dealing here with problems of human beings and their welfare, not with theoretical abstractions.

HIGH INTEREST RATES AND TIGHT CREDIT MUST NOT BECOME A PERMANENT HABIT

I have made this statement before and I am going to make it again. We must guard against the danger of making high interest rates and tight credit a permanent habit in the United States. There are other and better tools for handling problems of economic stabilization and growth.

The time has come to make a policy choice. As for myself, I believe that our long-run productivity growth can give us both stable prices and full employment and, consequently, if I must choose between a policy that maximizes expansion and growth with a mild inflationary trend in the short run as against one that strengthens monopoly and undermines competition and would plunge us into recession, unemployment, bankruptcies and farm foreclosures, my choice would be unhesitatingly for the former.

I cannot understand how anybody could possibly support the alternative of recession. But I am convinced that there are men in high places, who think recession is the lesser of two evils.

In closing, I want to emphasize that the tight-money policy and banker control of the economy are opposite sides of the same coin. We have always been the party that upheld the people's right to choose their own economic path. That is the basic issue before our country today.

NEWSPAPER REPORT

I am also inserting a reporter's account of the meeting which appeared in the

Daily Palo Alto Times February 16, 1957. It is as follows:

DEMOCRATIC NATIONAL CONFERENCE—BUILDING-TRADE SPOKESMEN RAP "TIGHT" MONEY MARKET

SAN FRANCISCO.—Spokesmen for home building, labor, real estate, investments, and small business laid the Peninsula's "tight" money market before a Democratic national conference panel yesterday.

Representative WRIGHT PATMAN, Democrat, Texas, a high-ranking congressional finance leader, was chairman of the panel.

PATMAN called for a ban on home mortgage discounts, granting of more funds to the Federal National Mortgage Association (Fannie Mae), and a full-scale congressional study of monetary policy.

"I wouldn't care if we raised the GI interest rate to 5 percent if it would get the money," PATMAN declared, "but FHA is at 5 percent and isn't getting it."

"We should tell the banks and other lending agencies we're going to fix a certain interest rate and allow no discounts and that if they don't put up the money and let the people have homes built, the Government will."

A. F. Oddstead, of Redwood City, told the Democrats:

"We in the Bay area have almost been put out of business by the present tight-money policy of the administration. In 1955 we built 46,000 houses in 9 counties. In 1956 it dropped to 30,000 and this year we prophesy less than 20,000."

"That drop of more than 50 percent will have far-reaching effects in the employment of the area," Oddstead declared.

He advocated boosting the VA interest rate to 5 percent to bring people who lend money out of hiding.

Several speakers attacked Oddstead's proposals as stopgaps and he admitted they were, but claimed they were also realistic.

Builder Joe Eichler, of Atherton, termed today's expensive-money situation the worst the country has ever experienced.

Eichler said he combed loan money sources last year and was unable to get a single dollar for mortgages. "The same thing is true of thousands of other homebuilders and small businessmen," he added.

Discounts—premiums paid by loan seekers—have risen from none in mid-1955 to 8 percent. In some cases when notes were suddenly called builders have paid 12 percent, Eichler said.

Chester R. Bartalini, of San Francisco, executive secretary of the Bay Area District Council of Carpenters, estimated that 4,000 to 4,500 carpenters are unemployed among 30,000 in the 9 counties.

"How much more will this unemployment swell when the present commitments of builders are exhausted?" he asked.

James San Jule, of Palo Alto, who spent the past month studying the California market for investors in Hawaii, predicted another tremendous housing shortage soon. He suggested complete revision of the Federal housing program.

Lamar Childers, Alameda County Trades Council spokesman, said home buyers are being saddled with high interest for many years, even if interest rates are eased later.

Buyers will be heavily penalized if they pay off loans early and chances of refinancing are a joke, Childers declared. He predicted a depression if the banking fraternity is allowed to continue to control loans.

Congressman PATMAN said, "It upset all our financial markets" when the Eisenhower administration let Government bonds dip below par. He termed talk of inflation a GOP "bogymen."

Morris Abou, of Oakland, PermaBuild Homes president, laid the blame squarely on Fannie Mae. The agency caused the whole

discount situation, set the present 5-to-1 income-to-payments ratio when $3\frac{1}{2}$ to 1 would do, and won't loan on a house costing more than \$15,000 though rising costs make it difficult to build for less, Abou said.

Joe Bolker, San Fernando Valley subdivider, urged use of \$2 billion in national service life insurance funds for Government home loans. Reducing minimum property requirements set by Federal agencies would cut the costs of homes, he added.

Representative JAMES ROOSEVELT, Democrat, Los Angeles, called for a small-business tax structure revision. He charged the GOP with "a doublecross for the sake of getting some votes," because Congress repudiated the tax cut recommended by the President's Small Business Committee last summer.

San Jose appliance dealer John McEnery charged that present $8\frac{1}{2}$ percent discounts on appliance loans are "in open violation of California usury law and nothing has been done about it by the attorney general's office."

True interest on such loans is $15\frac{1}{2}$ percent—over the 12 percent limit—and "the public is being robbed," McEnery said.

OUTRAGEOUS DISCOUNTS

Mr. Speaker, I am inserting herewith interesting information about mortgage discounts:

IS GOVERNMENT IN RACKET?

Mr. PATMAN. Our great Government is being accused of being in a racket. Good citizens of our country in letters to me often make this statement or a similar one in connection with the high interest and big discounts that are being required of them in order to sell a home or to buy a home.

One letter from a supplier of home building materials stated:

"... I think it is a shame what is happening and the way it is being manipulated by the big finance companies demanding outrageous discounts on these type loans. We closed a VA loan the other day and it cost the veteran and ourselves on a \$10,900 loan around \$750."

BLOOD MONEY

"It is being said that there is tight money, etc., but I call it blood money, if you will give the big discounts there is plenty of money available for the paper. I feel like the lumbermen are all being used to steal from the veteran and give it to the finance companies. I noticed what you had to say the other day in the paper about straightening this deal out, and I think it is a good approach to it. We do not object to there being a 5 percent interest charge, but we certainly do object to being made to make the veteran sign a note for par value and then FNMA, itself, buy that piece of paper if they get a big discount—anywhere from 4 percent to 7 percent. It makes a lot of us feel like our Government, itself, is in a racket, and we think that this matter should have something done about it immediately."

PRETTY DOGGONE SORE

Another letter from Houston, Tex., follows:

"... I am pretty doggone sore. You see, early last November I had an opportunity to buy a house here in Houston that I liked, at a price I liked, under a FHA $4\frac{1}{2}$ -percent loan.

"I accepted the deal. So did the owner. And I duly applied for the $4\frac{1}{2}$ percent FHA loan through the mortgage company that had got the commitment from the FHA and was willing to make the loan, provided I could qualify.

"All this was before the interest rate was raised to 5 percent.

"While my application was in the mill, the FHA told the mortgage company it could seek me for even more interest than it had asked for in the first place.

"KNIFE ME FOR A POUND OF FLESH

"I hope I'm making this kinda clear: Seller, buyer, mortgage company, agent, even FHA, had all agreed on $4\frac{1}{2}$ percent, and application was made before the rate was changed on December 4. Yet when my loan was finally approved, somebody had arbitrarily authorized the moneylenders to knife me for an extra pound of flesh—ex post facto.

"At least that's what the mortgage company says my Government has done to me. And they're probably right; aren't they?

"I think the whole thing could be straightened out in 48 hours, if you make money available to FNMA at par value for VA and FHA then let private capital handle it if they desire; and I am sure in just a short time private capital will buy at par.

"I wish to let you know that we lumbermen appreciate the effort you are putting forth to get the matter straightened out, but it does need something done about it immediately as we are practically frozen at this time."

I have a letter from one of my own constituents at Texarkana, Tex., in which she states:

"I am writing regarding the GI home loan which you said you were going to bring up in Congress.

"We have sold our home and the buyer has been trying to get a GI loan. That is, we have everything completed, but the investor that is buying the papers wants us to discount our papers 8 percent and we think that is outrageous.

"Could you please advise us concerning this bill? When are you going to bring up this bill and do you think it will pass? Also, how long do you think it will be before it will be in effect?

"Mr. PATMAN, we would appreciate it very much if you could let us know about this matter as soon as possible. Thank you."

HOUSTON, TEX., SITUATION

SHARPSTOWN,

Houston, Tex., January 29, 1957.

HON. WRIGHT PATMAN,

House of Representatives,

Washington, D. C.

DEAR MR. PATMAN: I am taking the liberty of sending you the attached article clipped from the editorial page of the Houston Chronicle, which, as you know, is one of the largest and most influential newspapers in the country.

In my opinion this article sums up the plight of the home builder better than anything I have seen in print.

If you have a few minutes to spare after looking this over, I will very much appreciate having your thoughts on this problem which is so vital to the national economy.

Very truly yours,

FRANK W. SHARP.

[From the Houston (Tex.) Chronicle of January 24, 1957]

HOME BUILDING INDUSTRY AT CRISIS IN FACE OF 24-PERCENT DECLINE

The home-building industry, under normal conditions, employs about 16,500 people in metropolitan Houston, supporting between 65,000 and 70,000, or 1 person in every 14.

As far as jobs are concerned, it is bigger than the oil industry's direct employment of 13,000, or the chemical industry's 10,000.

Indirectly, of course, the home-building industry helps to support many thousands more.

This great industry faces a crisis today in an economy which, in other respects, is booming. It is a crisis which will grow steadily worse unless quick action is forthcoming.

Construction of low and moderately priced houses has fallen off to an alarming extent—to the lowest point since 1948.

NATION GOES UP

Richard G. Hughes, past president of the National Association of Home Builders at the convention of the Texas Association of Home Builders in Houston in December, pointed out that since January 1955, home building declined 24.4 percent in the face of a continued strong demand for new houses.

During the same period the national gross product increased 8.2 percent; plant and equipment, 43 percent; personal income, 10.4 percent, to the highest level in history.

Home builders attribute this situation to the fiscal policies of the Government which have resulted in drying up the usual sources of mortgage-loan money and high-discount rate on such loans imposed by those lenders who are still willing to invest in home mortgages.

Rising interest rates have caused the usual lending agencies to channel their funds into other types of investment which yield a higher return than home mortgages.

This has resulted in an artificially created depression in the home-building field.

RUINOUS DISCOUNTS

Home builders say discounts imposed by some lenders on home-mortgage loans at the present time range from 6 to 8 percent and sometimes as high as 10 percent. This means that a \$10,000 mortgage is discounted from \$600 to \$1,000—enough, in many instances, to wipe out the builder's profit entirely.

Many home builders have already been forced out of business. Many others have shut down their activities to await developments.

If a virtually complete shutdown of all but luxury home building during the next 6 months to a year is to be avoided, prompt and decisive action is needed.

The builders say that if Congress would appropriate sufficient funds to enable the Federal National Mortgage Association to buy home mortgages at or near par value, the ruinous discount system would be eliminated and the bottleneck choking off home building would be broken.

Probably the best argument for such a program is that it need not cost the taxpayers a single dollar.

The Reconstruction Finance Corporation, under the leadership of Houston's late Jesse H. Jones, channeled billions into the economy during the depression in a similar operation and was instrumental in saving thousands of businesses, large and small. The RFC made a profit.

As a matter of fact, operations of the Federal National Mortgage Association also have been profitable.

On the other hand, failure of the Government to take prompt and decisive action can lead to economic disaster.

OTHERS AFFECTED

The home builder is by no means the only victim of the present situation. Economists agree that the home-building dollar has the widest spread, that it helps to support more people than money spent in any other way.

If the home-building slump continues, widespread unemployment will result, not only in home building but in other lines. The economy will feel the effects all the way from the forests of east Texas, where trees are felled, to the home-appliance industry, furniture stores, advertising media, hardware stores, railroads, trucklines, insurance, banking—all of which share, in one way or another, in the benefits from building and selling new homes.

TWENTY PERCENT DISCOUNT

COLLINGDALE MILLWORK CO.,

Collingdale, Pa., January 28, 1957.

HON. WRIGHT PATMAN,

House of Representatives,

Washington, D. C.

DEAR SIR: May I suggest the following as a fit subject for examination by the House Banking Committee?

When the Federal Reserve Board and the home loan banks take steps which result in limiting the supply of money and credit, why are they not required to place controls on the fees which their members may charge for lending this money to the public? Certainly if we had a severe shortage of any other article such as rubber, sugar, or lumber, the Government would immediately impose price controls to protect the public from gouging, yet there is evidently no limit to the charges banks can impose upon those in need of mortgage money even though the Government itself is responsible for that item being in short supply.

It is not uncommon for those wishing to obtain mortgage money in this area to have to pay a 6 to 10 percent fee, and last week I heard of a case where for a VA mortgage in a changing section of Philadelphia, the borrower had to pay 20 percent.

To my mind this is nothing but a legalized black market, and unless something is done about it, building and real-estate activity will soon dry up completely.

Very truly yours,

HOWARD J. KIRKPATRICK, Partner.

P. S.—I am also vice president and treasurer of Collingdale Federal Savings & Loan Association.

NEWMAN'S OF CUERO, INC.,
Cuero, Tex., January 26, 1957.

HON. WRIGHT PATMAN,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: I am in receipt of your letter of the 17 in reply to my letter, and it is certainly encouraging to know that you are on the job up there and trying to get something done about this racket of discounts. Since writing you the other day we have just closed a VA loan, and I am here attaching a photostatic copy of the closing costs. There are quite a few items that are legitimate charges and a fair cost for services rendered, but there are two items that I am particularly calling your attention to—No. 1 under loan expenses No. 3 origination fee. There is no reason for any such fee for we, ourselves, as a lumber dealer originated this loan, did all the necessary paperwork—application and credit report. No. 2 under the loan expenses item No. 4, the commitment fee of \$780; or making a total between ourselves and the veterans of \$1,187.50 cost to close this deal which I think is an outrageous situation.

The Lumbermen's Investment Corporation of Texas acts as a broker between the dealer and FNMA and out of the work that they do they make 1 percent and FNMA gets the \$780. I thought I would send you this copy, as you will notice this was closed on January 24, 1957, just a few days ago. I thought this would be of some assistance as these are actual facts on paper.

Yours very truly,

J. T. NEWMAN, President.

P. S.—Something needs to be done about this program immediately as the lumbermen all over the United States are becoming very unhappy.

LUMBERMEN'S INVESTMENT CORPORATION OF TEXAS

CLOSING STATEMENT

VA—No. LH 67437

Loan No.: V-746. Amount of loan: \$10,400.
Name: Donal E. Strain. Property address:
Bohman Street, Cuero, Tex.

Date of note: January 23, 1957. Maturity:
February 1, 1962.

Purchase price: \$10,625.

Payments beginning: March 1, 1957.

Monthly principal and interest.....	\$57.82
Monthly tax deposit.....	10.00
Monthly insurance deposit.....	3.75
Monthly FHA MIP deposit.....	

Total..... 71.57

	Buyer	Seller
Loan expenses:		
1. Recording fee.....	\$12.00	-----
2. Title policy fee: Owner's \$88.75; mortgagee's \$15.00.....	15.00	\$88.75
3. Origination fee.....	104.00	-----
4. Commitment fee.....	780.00	-----
5. Survey.....	25.00	-----
6. Appraisal fee.....	25.00	-----
7. Inspection fee.....	-----	-----
8. Credit report.....	3.25	-----
9. Certified copies of restrictions.....	-----	2.00
10. Hazard insurance.....	45.40	-----
11. Federal stamps.....	-----	12.10
Attorney's fee.....	-----	75.00
12. Total loan expenses.....	229.65	957.85
Prepaid items and deposits into escrow account and interest:		
13. First year's FHA mortgage in- surance premium.....	-----	-----
14. First year's hazard insurance premium.....	45.40	-----
15. FHA MIP..... months at \$..... per month.....	-----	-----
16. Hazard insurance 4 months at \$3.75 per month.....	15.00	-----
17. Taxes 4 months at \$10.00 per month.....	40.00	-----
18. Interest from Jan. 24, 1957 to Feb. 1, 1957.....	11.70	-----
19. Total prepaid items and deposits.....	112.70	-----
20. Cash downpayment.....	225.00	-----

The undersigned hereby authorize Lumbermen's Investment Corporation of Texas or its closing agent to make the expenditures and disbursements listed above and hereby approve the same for payment. The undersigned also hereby acknowledge the receipt of \$10,400 and hereby certify that the signatures of the undersigned on the mortgage documents furnished as security for repayment of said sum are genuine, and that the cost of the property, plus any improvements specified in the undersigned's loan application totaled \$10,625. We the undersigned do certify that we will occupy this property as our home.

Dated January 24, 1957.

DONAL E. STRAIN,
Borrower.

DOTTIE STRAIN,
Borrower.

I hereby certify that the above loan has been closed in accordance with this statement, and that all moneys have been disbursed as described herein.

BERT KIRK.

PROVIDING INTERIM ASSISTANCE THROUGH THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution. The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 209, to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 209, with Mr. JONES of Missouri in the chair. The Clerk read the title of the resolution.

By unanimous consent the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Kentucky [Mr. SPENCE] will be recognized for 1 hour, and the gentleman from Iowa [Mr. TALLE] for 1 hour.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. SPENCE. Mr. Chairman, this is an interim, stopgap resolution to take care of the present need of the Federal National Mortgage Association. As you know, the Federal National Mortgage Association is a secondary market for FHA-insured and GI-insured loans. It is now almost out of funds, and in order to keep its functions operating, it is necessary that immediate authority be given it to increase its available funds.

This resolution does that; it provides that it may issue and sell \$50 million of its capital stock to the Treasury, upon which it may borrow \$500 million.

The whole question of housing and home finance will be gone into by the Committee on Banking and Currency in a few weeks, and all the amendments that might be considered now will be considered then. I am hopeful this resolution will be passed without amendment. It is essential to those who want to buy homes, for unless there is a secondary market for mortgages, established by the Government, it would be difficult for them to obtain sufficient funds to carry on the program of home building in this country which is so essential not only for the peace and happiness of our people but for our national stability and our national economy.

These sound like large sums, but I know of nothing more secure than the investments which the Federal National Mortgage Association makes. Its business is devoted entirely to the purchasing of FHA-insured loans and GI-insured loans. I think the character and soundness of this institution can be well illustrated by comparison with the Home Owners Loan Corporation. You will remember that at the very depth of the depression in 1933, when the banks were crashing throughout the country like houses of cards, where failures were prevalent everywhere, where the homeowner was being dispossessed of his property, the Home Owners' Loan Corporation was established. It made \$3½ billion in loans to financial institutions and individuals who were in trouble, who were about to be dispossessed of their homes. That Corporation was liquidated not long ago. It made 1,018,000 loans. It saved the property and homes of at least 4½ million people and when liquidated it cost the Government nothing. It put \$14 million into the Treasury of the United States.

Now, there is almost the same necessity now as then for the Government to go into this field and see that the people get sufficient accommodations to establish themselves in homes. That is the only issue here. I hope there will be no amendments offered to the bill because this is an emergency, temporary measure.

In a few weeks all of these things will be considered by the Committee on Banking and Currency. It is essential that this bill be passed now, that the money go immediately into the Federal National Mortgage Association, which will be used to stabilize the home money market.

Mr. TALLE. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the chairman of the Committee on Banking and Currency, the gentleman from Kentucky, has correctly stated the facts pertaining to the pending bill. I may say that at the time this bill was introduced I offered an identical resolution. I may say further that the chairman of the Committee on Banking and Currency and I, as the ranking minority member, agreed on a release pertaining to the bill. In that release the facts as pointed out by the gentleman from Kentucky were reported.

It should be noted that, according to my information, the home building industry in its broad aspects is so large that it may well be rated as the second largest industry in our country. It is very important to the home builders, to all those who are employed in the home building industry and especially to the people who are in need of housing that proper attention be paid to the emergency financial needs of this great industry—and that this be done without delay.

That is the reason, as the gentleman from Kentucky has stated, why we are bringing in this emergency bill and hope for quick action. A more comprehensive bill will be considered later in the current session.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Kentucky.

Mr. SPENCE. I understand that the Senate subcommittee today voted out an identical bill except that they provide \$50 million for special assistance in accordance with section 213.

Mr. TALLE. I thank the gentleman for his information.

Mr. Chairman, what I was about to say was that in the legislation of 1954 pertaining to the home building industry in connection with FNMA, we sought to put into effect a method by which FNMA would ultimately become a private investors' organization. Some progress has been made in that direction, and it is hoped that in future years private investors will be the actual owners of this mortgage association.

That, I believe, Mr. Chairman, is all that I should take time to say at the moment.

I now yield such time as he may require to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of House Joint Resolution 209. This resolution, as introduced by our chairman, Congressman BRENT SPENCE, of Kentucky, is identical with House Joint Resolution 210, as introduced by Congressman HENRY O. TALLE, of Iowa.

In brief, this resolution will increase the borrowing authority of the Federal National Mortgage Association for secondary market operations in FHA and VA mortgages by \$500 million. Of this amount, \$350 million may be borrowed from the Treasury.

The Federal National Mortgage Association under its present corporate

charter carries on three separate activities.

First. The secondary market operations.

Second. The special assistance functions.

Third. The management and liquidating functions.

It is important to recall that each of these three activities is independent—each has its own assets, liabilities, and borrowing authority. Upon each—under the terms of the Federal National Mortgage Association Charter Act—is imposed separate accountability with respect to each activity.

The resolution under discussion today relates only to the secondary market operations—in particular to the problem of financing these mixed-ownership operations in FHA and VA mortgages.

This legislation would carry out only in part the recommendations made by the President on this subject in his budget message for 1958. At best it is only a stopgap measure. Action at this time is urgently needed because the Federal National Mortgage Association is rapidly reaching the limits of its existing authorization for the purchase of mortgages under its secondary market operations.

Our committee has been advised that during the past 6 months Federal National Mortgage Association's rate of purchases and commitments has risen so rapidly that its unobligated resources were reduced to approximately \$240 million at the end of 1956, and that by the end of January 1957 had been further reduced to approximately \$140 million. If the present rate of purchase activity continues it seems likely that the purchase program will be forced to come to an abrupt halt early in March unless immediate relief is provided. The need for prompt action on this measure is obvious.

I do not believe that this resolution, in itself, will provide any lasting solution to the problem of a shortage of mortgage capital. Presently awaiting committee action is the complete administration proposal for Federal National Mortgage Association, as well as many other proposals for alleviating the shortage of mortgage credit.

The importance of this problem is such that extensive hearings on the many proposals would be necessary, and any congressional action would thereby be delayed. This stopgap measure will provide time both for further study by the committee of the entire mortgage credit situation and also will assure that Federal National Mortgage Association can continue its secondary market operations at least until the end of the fiscal year without interruption.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of House Joint Resolution 209.

The purpose of this resolution is to provide immediate assistance on an interim basis to the secondary market operation of the Federal National Mortgage Association.

In the drastic tight money shortage which is now plaguing the home-building industry, FNMA stands as a haven of last resort, particularly in areas hardest hit by the mortgage credit shortage. Since FNMA stands ready to buy FHA and GI loans at close to market prices, lenders are encouraged to make the liberal terms of Government-assisted mortgage financing available for moderately priced homes.

Unfortunately, FNMA's resources are just about exhausted. As private sources for FHA and GI loans progressively dried up during the past year, offerings of mortgages to FNMA accelerated sharply. In the past 4 months offerings have ranged from \$150 to \$200 million a month. This sharp jump in the rate of delivery of FHA and GI mortgages to FNMA has put an increasing strain upon the market facilities, and at the present moment FNMA's purchases and commitments have climbed close to the maximum \$1.1 billion borrowing authority under existing law.

Under the present charter FNMA's maximum borrowing authority is limited to 10 times the sum of its capital and surplus. Capital stock subscriptions to date total approximately \$110 million. Of this amount, some \$17 million consists of common stock subscriptions by private mortgage sellers, and the balance of approximately \$93 million consists of preferred stock which was issued to the Secretary of the Treasury in late 1954 at the time operations began under the new charter.

To give immediate relief section 1 of House Joint Resolution 209 would provide an increase of \$50 million in FNMA's capitalization, making a total capitalization of approximately \$160 million. To accomplish this increase FNMA would deliver to the Secretary of the Treasury an additional \$50 million of its preferred stock in exchange for an equal amount of its notes held by the Secretary of the Treasury. The total borrowing authority under the 10 to 1 ratio would thereby be increased to an amount approximately \$1.6 billion, from the present approximately \$1.1 billion. In other words FNMA's mortgage purchase authority will be increased by \$500 million.

Section 2 would increase the maximum amount of FNMA's secondary market operations obligations which the Secretary of the Treasury can acquire. At the present, the maximum amount that the Secretary of the Treasury may purchase is limited to \$1 billion. House Joint Resolution 209 would raise this maximum to \$1.35 billion.

This type of authorization supplies a Treasury "backstop" which assures a ready source of funds should a situation arise when private investors might be unable or unwilling to purchase FNMA's notes. It also furnishes additional assurance to private investors that FNMA has a source of liquid funds with which to pay off maturing notes in any unforeseen circumstances in which neither liquidation of the portfolio nor refinancing might be feasible.

Mr. Chairman, apparently there has been some misunderstanding among builders and others in connection with

House Joint Resolution 209. The argument has been made that the additional \$500 million in mortgage purchase authority provided by the resolution is pitifully inadequate in the face of the state of near crisis in the mortgage market.

Mr. Chairman, we on the Banking and Currency Committee are in agreement with that position. We wish to emphasize that the resolution is solely a stop-gap measure. We realize that it in no way provides a lasting solution to the serious shortage of mortgage capital which is threatening to cripple the home-building industry, so vital to the housing needs of our people and to the prosperity of our overall economy.

We are well aware that the resolution would provide relief for a shorter time period than would the proposal sponsored by the administration. The administration has proposed increasing FNMA's capitalization by \$100 million, thereby increasing FNMA's borrowing authority by an additional billion dollars. It should be emphasized that the administration recommends \$100 million increase as a long-term solution, not as an interim measure. I am far from convinced that an increase of \$100 million is sufficient for the long run.

Also the administration's proposal would increase the backstop authority of the Treasury to hold FNMA obligations by an additional \$700 million in contrast to the \$350 million increase proposed in the resolution. However, under the administration proposal only one-half of the Treasury backstop authority, namely \$350 million, would be available during this fiscal year, with the remainder to be available after June 30, 1957. Because of this spacing out of the Treasury backstop authority, I would like to point out that the assistance to be provided by the resolution would not be appreciably different from the administration proposal during the current fiscal year.

I would like to emphasize as strongly as possible that I am in complete agreement with the argument that a short-term addition to FNMA's borrowing authority, such as House Joint Resolution 209 provides, is by no means a complete answer. In reporting the resolution, the Banking and Currency Committee stressed the need for more effective mortgage credit legislation and specifically instructed the Subcommittee on Housing to give the highest priority to this problem. In this connection our colleague, Congressman RAINS, of Alabama, chairman of the Subcommittee on Housing, along with the members of the subcommittee, has great experience in this field and I am confident the subcommittee can help us report a mortgage credit bill which will provide the lasting and substantial support needed to maintain a sound and healthy residential construction industry.

Mr. Chairman, House Joint Resolution 209 was reported unanimously by the Banking and Currency Committee and I urge its adoption by the House without delay.

Mr. TALLE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I favor the passage of this resolution. However, I believe that the situation we find ourselves in nationwide insofar as the home-building industry is concerned is a very difficult one. And, the Banking and Currency Committee recognized that in most everything they have said in their report, especially on page 4 of the report, where they say that another factor which complicates the problem greatly is the question as to the ultimate action to be taken by the Congress concerning the maximum $4\frac{1}{2}$ percent rate of interest on VA-guaranteed loans. Of course, that question is in the hands of the Veterans' Affairs Committee and not the Committee on Banking and Currency. In other words, when this report was written, that matter was under consideration by that committee.

Since this report has been written and this bill reported to the House, the Committee on Veterans' Affairs has acted negatively on increasing the rate of interest from $4\frac{1}{2}$ percent to 5. That makes the whole problem more difficult because your home builders who are caught with a $4\frac{1}{2}$ percent GI loan and a demand for additional housing cannot dispose of the mortgages they have now without a very high discount rate. As a matter of fact, the FHA loans that are held by home builders are also being discounted at high rates and the half-billion dollars that we will provide in this resolution will only take care of the situation between now and the first of July, will be absorbed undoubtedly very quickly, with an additional discount on the par value of those loans.

I think the Congress has a very distinct responsibility to provide sufficient funds to meet the home building demands of the Nation; because I do not know of anything that has helped make home life more secure, reduce the possibility of delinquency, and solidify the American way of living than providing a home for the average American citizen on terms that he can afford and long enough loans so that he can see his way out of that loan.

I recognize that this is only stopgap legislation. I wish the amount were more than is provided in the resolution.

As a member of the Subcommittee on Housing of the House Committee on Banking and Currency, I should like to say that the chairman [Mr. RAINS] has called the committee into session for hearings beginning the 4th of March. We intend to be in session until about the 13th of March and hear from the principal individuals in the United States who are involved in the financing and building of homes in order to provide the Congress with a complete cross-section of opinion and views of the serious housing problem we are facing.

I am confident that there is no opposition to this resolution but I believe that this is the opportune time to give considerable thought to the seriousness of this problem as it affects the whole country. And to be provincial for a moment, it is seriously affecting the State of California and southern California in particular. We have thousands upon thousands of people coming

there all the time looking for homes to buy and places to live, and the home builders are caught in the vortex of this economy that we are facing today and are unable to finance the building of additional homes.

I certainly urge the passage of the resolution, but I further urge that every Member of Congress give serious consideration to the situation in which we find ourselves and try to find a solution to it when the legislation comes before them to extend the authority of FNMA, which I hope will come soon.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

BAD PRACTICES ENCOURAGED

Mr. PATMAN. Mr. Chairman, this bill is necessary although it is a weak approach. I am not sure that we are doing the right thing by passing it. I am willing to go along and vote for it on the theory that it will do some good; but at the same time it puts us in the position of recognizing and encouraging practices that many people brand as not only outrageous, but actually as rackets that are going on throughout the length and breadth of our country today.

I read here one letter that I received. This is from a constituent. It says in part:

Our great Government is being accused of being in a racket.

The good citizens of our country in letters to me have been making this statement or similar ones in connection with the high interest and big discounts that are being required to buy a home or sell a home.

One letter from a supplier of home-building materials said this:

I think it is a shame what is happening in the way it is being manipulated by the big finance companies demanding outrageous discounts on these type loans. We closed a VA loan the other day at a cost to the veteran and ourselves on a \$10,900 loan of \$750.

He refers to it as blood money.

Another letter says:

I am pretty doggone sore. Last November I had the opportunity to buy a house here in Houston that I liked under a 4.5-percent FHA loan through a mortgage company. I had got the commitment provided I could qualify. All this was done before the interest rate was raised to 5 percent. While my application was in the mail the FHA told the mortgage company it could sock me for even more interest than was called for in the first place.

Of course, that caused the trouble.

Another letter stated:

We have sold our home and the buyer has been trying to get a GI loan. That is, we have everything completed but the determination of the interest rate. They wanted 8 percent, and we think that is outrageous.

I have had letters like one from a couple who moved from Kansas to Nebraska. They had to on account of the employment situation of the head of the house. After they had established residence in Nebraska they wanted to sell their home in Kansas City. They had a \$2,000 equity in that \$10,000 home and an FHA loan. The person who was selling it wanted \$1,500 to make the sale.

That is one case. There are discounts as high as 15 percent all over this Nation. It is a disgrace. There are discounts in the Los Angeles area aggregating 25 percent on second mortgage loans, right here in the United States of America.

LAW OUTLAWING DISCOUNTS REPEALED

Congress did something about this a few years ago. We stopped these discounts. Before 1954 it was unlawful and they were not permitted.

A bill came up here during the 83d Congress in 1954 that would have repealed that provision making these discounts unlawful. I offered an amendment here on the floor of the House on April 2, 1954, to strike out that amendment, so that it would always be unlawful to charge these discounts. My amendment was adopted by a vote, as shown in the CONGRESSIONAL RECORD, volume 100, part 4, page 4449, of 141 ayes to 68 noes. This House went on record as being against these discounts that are against conscience.

The bill went to the other body. The other body put the amendment back in, and in the conference the conferees were told it was not necessary, that we had plenty of power to regulate discounts and the conferees wrote this language into their report. It said:

The Senate amendment added to the House bill a provision repealing section 504 of the Housing Act of 1950, which directed the Federal Housing Commissioners and the Administrator of Veterans' Affairs to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages on home loans. A similar provision in the House bill was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House.

Further quoting the conference committee report:

Section 504 of the Housing Act of 1950 is no longer needed, since adequate authority for the control of these fees and charges is otherwise available.

That is what we were led to believe, and the House accepted it and we repealed that provision which outlawed these outrageous discounts. All right. Then the Housing and Home Finance Agency put out another statement. Listen to their interpretation of the law. I am reading from it. The Housing and Home Finance Agency said:

Section 504 of the housing act of 1950, which directed the Federal Housing Commission and the Veterans' Administrator to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages on home loans is repealed. This provision is no longer needed and adequate authority for the control of these fees and charges is otherwise available.

That is the statement which the Agency gave out. They have not controlled it. When it was repealed, the sky was the limit on outrageous discounts. How can we sit here as representatives of the people, seeing this racket going on every day right in broad daylight, holding up veterans and builders and holding up other people just because that provision was inadvert-

ently repealed. We ought to put it back in the law. But I am not attempting to amend this bill because this is just something that the gentleman from Kentucky [Mr. SPENCE] says we need now for the emergency and that the committee is going to bring in another bill later which will be an overall bill which will have enough money to really get the job done. When that is done, then we want to restore that provision making these discounts unlawful. There is no reason why Government paper that is guaranteed by the United States should be sold at a discount. Worse still, bought up by our own Government. Our own Government is buying up this paper and charging the veterans the full amount. Remember, this is going on right here in the United States of America with our knowledge. Worse yet this will be with our consent when we pass this bill. We are encouraging it. That is what makes it so difficult to vote for this bill. The Government of the United States is buying up mortgages right now. Fannie May, the Federal National Mortgage Association, owned by the United States with Government money is buying a mortgage that a veteran has given, let us say for \$10,000. The veteran has signed his name to pay \$10,000 and our Government is buying that mortgage right now for \$9,350. Who will pay that other \$650? The veteran will pay it. The veteran will pay every dime of it. Now is that right? Do you want your Government to treat the veteran that way? That is just exactly what we are doing. That is what we are doing in this bill—we are encouraging that. Of course, this is a stop-gap bill. This is not the time or the place to deal with major issues like that. But I tell you we cannot feel good about it.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McDONOUGH. The gentleman just gave an example of approximately a \$700 discount on a \$10,000 loan. I think those were your figures—a \$10,000 mortgage being bought for \$9,300? The veteran signs a contract to pay \$10,000. The man who sells that mortgage is the man who loses the \$700 and not the veteran. The veteran is not obligated to pay any more money. I do not think it is quite fair to say that the veteran loses that money. I do not disagree with the gentleman on the question of high discounts that he is arguing about, but I do disagree with him when he argues that no discounts should be allowed because then you would have no bargaining point there, and you would actually be creating a socialistic money market.

Mr. PATMAN. That could be an excuse and not a reason. You know, after all, whenever they have to discount these mortgages, they know in advance. That fact is taken into consideration in the construction of the house. After all, the veteran's mortgage is sold for \$9,350. That fact is known all along the line.

Mr. McDONOUGH. That is a loss to the builder.

Mr. PATMAN. Of course, you say it is a loss to the builder. In some cases,

the builder might lose. But, they anticipate these things. That is taken into consideration in the construction of the house. They have that knowledge. In most cases both the builder and the veteran lose. The point is that here is our Government buying up paper that a veteran is obligated to pay \$10,000 for \$9,350 and charging the veteran \$10,000 thus making him pay an extra \$650 on that house.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. For a question; yes.

Mr. McDONOUGH. I merely wanted to say that the \$700 discount could be observed by the VA inspector in the building of the house.

Mr. PATMAN. But it is a discount, regardless. The major part is that we are permitting the equivalent to Government bonds that are paying $4\frac{1}{2}$ and 5 percent to sell below par—down to $93\frac{1}{2}$; the same Government buying up their own paper. Does that look good? Of course, it does not. You cannot justify it. There is no excuse for it. It ought to be changed. This bill is not the place to do it, probably, but it has got to be changed at this session of the Congress. FNMA can do a great job, but we have to put it back on the track, and not permit them to buy these mortgages at less than par. The only way you can make that possible is to give them plenty of money to support these mortgages at par. We have got to do it.

DEPRESSION IN THREE IMPORTANT AREAS

The home-building industry is in a depression—in a bad depression. Home building is off 50 percent in a number of areas. Small business is in a depression. Big business can get all the money they want. That is going on right now, and we know it. Agriculture is in a depression. There are three important segments of our economy in depression today. We ought to start by helping the home-building industry get back on its feet, by fixing this FNMA so that they can support these Government securities—mortgages guaranteed by the Government. The law is a good one, but we have to give them plenty of money.

We have in trust funds in this Nation today about \$40 billion. We have in the national service life insurance fund \$5½ billion. That is veterans' money. It has been proposed that we use a part of that money. For what? To buy common stocks? No. To buy speculative securities? No. To buy the best security on earth, a mortgage guaranteed by the United States Government, $4\frac{1}{2}$ -percent mortgage loans. To use at least 25 percent for that purpose. That will help stabilize the GI mortgage market. The national service life insurance fund now is only getting 3 percent. This proposal would be 50 percent more. It helps veterans, who carry that insurance, that much more. There is no reason why we should not do it. We have plenty of funds. But under this high-interest policy, the people in control do not want to do it. They are willing to make it tighter and tighter; interest rates higher and higher. It is fundamentally wrong. This thing is in confusion. We have to

do something about it. The Congress should give it first consideration, and I do not think we should take too long about it.

The Housing and Home Finance Agency has a wonderful opportunity, but they have certainly missed the boat on these discounts on mortgages on homes.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PRESTON. I have heard a great deal about the selectivity that FNMA was exercising in purchasing paper. Is FNMA required to accept any mortgage which is developed under FHA commitment?

Mr. PATMAN. No.

Mr. PRESTON. Is it true that they are becoming so selective?

Mr. PATMAN. They are becoming selective. This may not help much more. I do not know.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Does the gentleman from Iowa care to yield time?

Mr. TALLE. Mr. Chairman, I have no further requests for time at the moment.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am taking this time to make clear that although there is before you a unanimous report of the committee, not all of the Members approve of what is being done under existing law.

We take no position against this bill because it has been presented to you as an emergency stopgap measure. Whether or not FNMA is doing the job it should, will be developed very shortly at the hearings which will commence early in March under the jurisdiction of the Subcommittee on Housing. When that committee completes its hearings on the subject we should know what must be done to deal adequately with the entire subject.

Let me make clear one thing that the gentleman from Texas [Mr. PATMAN] referred to, about this business of discounts. It is quite true that on the record the builder or the mortgagor borrowing the money may be charged the discount. There are two discounts involved in these transactions. One is charged when a mortgagee, a lender, takes a mortgage of \$10,000 and sells it to FNMA for \$9,400, or whatever the discount may be. But do not think for one moment that the moneylenders of this country are losing that \$600 difference on each \$10,000 mortgage; they are getting that somewhere, and the only way they can get it is for either the builder or the purchaser of the property to make up the amount of the discount. They are not going to get it back at 5½-percent interest a year; no, it comes from the home buyer, the veteran, or the nonveteran, the purchaser. When they sit around a table at the closing, the builder, the banker, or the lending institution, and the purchaser, veteran or nonveteran, the purchaser does not get his deed unless he has the cash money to make up the difference. If he does

not have the cash, there is no closing. It is the buyer, the veteran or nonveteran, in most instances who has to pay that discount.

FNMA is not a party to the transaction at that point. FNMA deals with the lending institution only. It buys the mortgages, thus supplying the lender with new funds for new mortgages.

There is one other point I would like to make in reference to this. The request sent up here by the administration for this bill was not for what they are getting in this bill but for twice as much.

They asked for a billion dollars in additional lending power for FNMA; and the Secretary of the Treasury and the Budget Bureau approved it, indicating that that \$1 billion of lending power is not inflationary but would only help sustain the mortgage market. All that money in the first instance comes from the United States Treasury, some of which is replaced by the proceeds of the sale of FNMA bonds when sold to private investors.

A good many Members have joined me in introducing bills calling for the use of \$1 billion of United States life insurance reserve funds for direct loans to veterans. Let me point out that there are \$7 billion in that fund today.

But immediately the Secretary of the Treasury and the Director of the Budget tells your committees that that \$1 billion will be inflationary. When you take a billion dollars and use it for the sole benefit of the mortgage lenders of the country that is not inflationary; they are merely going to take that money and lend it over again as fast as they can put it into more mortgages; but if you are going to make \$1 billion in loans available to the veterans with which to buy houses, which are one-time loans, these great financiers tell you that that is inflationary, and that you must not do it.

You can approve this bill as you probably will today, but take note that next week when the Veterans Affairs Committee brings to you a bill dealing with veterans' mortgages you are going to have an opportunity to vote on aid to the veterans in spite of its alleged inflationary effect. We will then ask you to make money available to them at a fair rate of interest, at 4½ percent per annum and with no discounts.

When the Government guarantees mortgages they are as good as its bonds; that guaranty makes them just as good as Government bonds, and there is no reason why any mortgage, VA or FHA, when guaranteed by the Federal Government, should bear any greater interest than your Government bonds, plus the cost of servicing and insurance.

Mr. KILBURN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. KILBURN. Did I understand the gentleman a moment ago to say that when a veteran goes into a bank and gives them the \$10,000 mortgage he does not get \$10,000?

Mr. MULTER. I must say to you, sir, that a mortgage that is being placed at a discount, whether it be 1 point or 11 points, unless somebody produces that difference equal to the discount, there

is no closing and no mortgage money is disbursed. That somebody who produces the difference equal to the discount usually is the buyer. The builder may arrange the mortgage discount, but the buyer of the house does not get the deed until the builder gets the difference between the discount and the face value of the mortgage. That is paid by the purchaser of the house. Either the builder is not going to build a house to specifications and cheat and get his difference by cheating or as more frequently happens he builds to specifications and makes the buyer pay the discount in cash.

Mr. KILBURN. What he gets is \$10,000 from the bank. Then he goes to the builder and makes a deal with him to build a house.

Mr. MULTER. That is just not so. No bank will lend any mortgage money to a home buyer until the house is complete and has passed inspection.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TALLE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KILBURN. What he does is this: He gets \$10,000 from the bank, then he makes his deal with the builder to build his house; then the bank, if it wants to get its money back before 20 or 30 years, goes to FNMA, the only way they can get it; and they lose the \$600. The veteran is not gypped at all.

Mr. MULTER. The gentleman from New York is wrong. FNMA buys only existing mortgages on completed and approved homes. This is what happens in advance of that. The builder, when he starts his building project, goes to a bank and gets a commitment. The commitment from the bank or lending institution is to the effect: We will lend you X dollars per house built to these specifications, to bear interest of 4½ percent for a VA loan or 5½ percent for an FHA loan, less a discount of whatever the market calls for. In some places it is 4 points, in some places it is 11 points. It varies from place to place throughout the country. That is the deal made with the builder by the lending institution. The home buyer is not yet on the scene. The builder gets no mortgage money until the house is completed and he brings to the bank a purchaser. The purchaser signs the mortgage, and the money is paid over less the discount.

Mr. KILBURN. Does the gentleman mean there is collaboration between the bank and the builder to split \$600 under the table?

Mr. MULTER. I mean to say that the bank advances whatever the face amount of the mortgage may be, less the discount.

Mr. KILBURN. No; not less the discount.

Mr. MULTER. Less the discount. If there is a 6-point discount on \$10,000, the mortgagor gets only \$9,400. The purchaser produces the difference, except in those rare cases where the builder absorbs part or all of the discount.

Mr. KILBURN. That is simply not true. The borrower gets \$10,000 if it is \$10,000 mortgage. That is all there is to it. What the gentleman is confused about, I am sure, is that a great many

banks will not lend \$10,000 on a home appraised at \$10,000. They want the veteran to put some of his own money in.

Mr. MULTER. I am not talking about the down payment.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, the problem of tight money is one which has been of great concern to every Member of this body. Perhaps nowhere has the shortage of credit had such adverse effects as in the housing field. It looks as if, in the face of a need for at least 1½ million new homes this year, less than 1 million will be built, due almost entirely to the lack of credit. What makes matters worse, this decline in new housing starts is occurring at a time when there is a continued backlog of need for new homes, and a substantial amount of unused capacity in the housing industry.

House Joint Resolution 209, by increasing the borrowing authority of FNMA by \$500 million, raising its present authority from \$1.1 billion to \$1.6 billion, furnishes at least a stopgap interim remedy to offset some of the difficulties faced by the home buyer today. Fortunately, the Housing Subcommittee of the Committee on Banking and Currency, under the expert leadership of the gentleman from Alabama [Mr. RAINS] will begin hearings within a few days designed to review the entire field of mortgage credit. I am confident that the Housing Subcommittee will in its deliberations take into account not only an increase in FNMA's borrowing power adequate to the needs of the economy, but to closely related matters.

First, a long look needs to be taken at FNMA's present policy of purchasing residential mortgages not at par but at substantial discounts and with substantial loading charges. The net result of this practice is that the prospective homeowner must pay a premium of up to 10 percent on his financing—enough to keep him out of the market entirely in many cases. In this connection, the testimony of Mr. David L. Krooth of the National Housing Conference before the Subcommittee on Housing of the Senate Committee on Banking and Currency on February 6, 1957, is illuminating:

Since the time that FNMA has become a mixed-ownership corporation, instead of a Government-owned institution, it has been operating like a private business in its secondary operations. It does not provide any substantial support to the market, but it purchases mortgages at what it regards as their current market price. FNMA reduces its prices from time to time, if necessary, to follow the market on down. In short, FNMA's program makes limited amounts of money available—at a price. These current prices, involving large discounts, have been one of the factors which have increased housing costs, as it must be assumed that builders pass on to the consumer the additional costs of financing, just as they do with increases in cost of bricks, lumber, or other constituents of a house.

Illustrative of current prices on mortgages guaranteed by the Veterans Administration and bearing 4½ percent interest are: 95 per-

cent of par for mortgages on properties in New York and the Northeast; 94½ percent on properties in the South and Midwest; and 94 percent on properties in the West. Besides these discounts, there are fees and other costs which may be summarized as follows, on a typical sale of a GI loan to FNMA:

	Percent
Discount, that is, pay 94½ cents on the \$1-----	5½
Marketing fee of-----	½ of 1
Investment in FNMA stock-----	2

Total payments to FNMA----- 8

In addition, there are the following additional costs of financing incurred by the builder:

	Percent
Services of mortgage-----	1½
Construction financing-----	1

Total payments for financing--- 10½

While it is true that 2 percent represents the purchase of FNMA stock, this stock is currently selling at 50 cents on the dollar, so that half of the price represents an additional cost of financing. In this typical case the total costs involved in getting financing amount to 9½ percent, or over \$1,200 on a \$13,000 mortgage. This is a tremendous price to pay for financing.

A real task confronts the Rains subcommittee in devising methods to insure that FNMA's secondary market operations are so conducted as to provide credit in adequate amounts and at reasonable prices.

The second major field urgently requiring inquiry is the so-called special assistance functions of FNMA. Under the law, FNMA is empowered to operate solely with Government money in such specialized fields of housing as housing for urban renewal purposes, for minority groups, and for cooperatives. Under these special assistance functions, no private money is invested and no private stock is sold. Rather, FNMA operates solely with Government money. As the testimony of Mr. Bert Seidman, economist, research department, AFL-CIO, before the Senate Housing Subcommittee on February 6, 1957, makes clear, FNMA has so far utilized no special assistance funds to finance housing available to minority families. As for cooperative housing, the entire authorization has been exhausted.

House Joint Resolution 209, as an interim measure, provides a breathing space so that the constructive proposals which I know will issue from the Rains subcommittee can come before the Congress.

Mr. TALLE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, with reference to the statement just made by the gentleman from New York [Mr. MULTER] concerning the discount being arranged for at the time the loan is granted, I have here the hearings of the committee and an insertion in the hearings by the gentleman from Texas [Mr. PATMAN], a member of the committee, in which an example is shown of where a loan was advanced for \$10,400 to 2 individuals who wanted to build a house. They signed for \$10,400. There was no discount arranged for, no lessen-

ing of the sum. The money was agreed on, and the borrowers accepted the money.

Now, we know that these discounts are being made and asked for by business institutions. The RECORD ought to show, I think, that the discount is a loss sustained by the builder and not by the veteran, but where the veteran suffers is that because of the large discount which the builder must pay he cannot afford to sell many of these mortgages and, thereby, cannot refinance himself for additional housing, because the builder will not continue to take these high discounts, knowing that on the next house he builds he will have to discount the mortgage. He just quits building, and the veterans do not get houses.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I am in support of this legislation to increase the power of the Federal National Mortgage Association to buy Government guaranteed mortgages such as GI and FHA mortgages. This would provide some relief in the current tight money situation.

I would also like to urge that the Federal National Mortgage Association take advantage of the power that it now has under the law to give the debtors or the mortgagors an incentive for accelerating the payment of their debts. Are we giving proper consideration to the development of debt reduction incentives? Thousands of GI loans contracted in the years immediately after World War II would be paid up today if it were good business for the debtor. But why should a GI mortgagor pay up a 4-percent mortgage loan when he can invest his money conservatively at 5 and 6 percent?

The Federal National Mortgage Association has accumulated in its portfolios \$2½ billion in FHA and GI mortgages which are now old mortgages and which it should endeavor to liquidate. If the Federal National Mortgage Association can discount mortgages at a 6-percent rate at the time of purchase—why should it not provide a debtors discount for accelerated repayment of mortgage debt. A 5-percent discount to GI and FHA borrowers for accelerated repayment of mortgage debt would raise \$50 million of increased capital for the Federal National Mortgage Association within 60 days.

Persons who now owe 4-percent money could pay up their loans and provide the Federal National Mortgage Association with added funds which could be put out at the currently prevailing rate of interest. In other words, funds raised by providing a 5-percent discount for accelerated payment of debt could immediately be used for 5- or 5½-percent mortgages and the discount paid the mortgagor could be recouped within 2 or 3 years on a new long-term loan at higher interest.

The Federal National Mortgage Association has power to provide mortgagor discounts now. They testified so in committee. It seems to me that the Association should be made to exercise every reasonable effort to clean out its port-

folio and give the borrowers an opportunity to pay up their debts at a discount.

If we provide adequate incentives for debt reduction, much of the current shortages of mortgage money would be made up by debt repayment. Four-percent mortgages would be paid up and the money could be reloaned at current rates of interest to help fill money needs in the currently expanding economy.

Mr. SPENCE. Mr. Chairman, I yield to the gentleman from Arkansas [Mr. GATHINGS] such time as he may desire.

MORE FUNDS NEEDED FOR FNMA

Mr. GATHINGS. Mr. Chairman, in this period of tight money so generally affecting all segments of industry and private enterprise, it is clear that one of the most serious curtailments has been brought about in the production of housing for the average American family. I am pleased to support the House Banking Committee in approval of House Joint Resolution 209, which will provide authorization for the Federal National Mortgage Association to obtain more funds from the private money market in order to provide support for FHA and VA insured home loans.

I hasten to add that I agree fully with the committee that the amount in the resolution is wholly inadequate and should be regarded solely as a stopgap measure until the committee is able to hold hearings and decide upon a larger amount that will be adequate to provide the necessary secondary mortgage market assistance so badly needed at this time for FHA-VA loans. It seems to me that the critical period in the use of FNMA as a real aid to the mortgage market is now upon us. For some time the agency has steadily increased its selectivity and restrictions in its operations because of dwindling funds. It has both increased the cost of doing business on the part of sellers to FNMA and it has, at the same time, cut its prices for GI loans, or, to put it another way, increased its discounts.

One of the most startling aspects of FNMA operation is that although it is a Government agency purchasing only federally insured or guaranteed home mortgages, it can and does charge substantial discounts for these mortgages and, in effect, establishes official discount levels in many areas of the country for these loans. For example, in Arkansas, under the current FNMA purchase prices, FNMA charges a discount of 2 percent on an FHA loan with a 5-percent interest rate and a downpayment of less than 10 percent. In addition, of course, it charges another 2 percent required stock investment fee plus a marketing fee of another 1 percent. Its total effective price, therefore, insofar as builders and lenders selling mortgages are concerned is at 95 percent. Naturally, private investment sources have little reason to pay more than this figure for mortgages, with a result that the entire mortgage market in Arkansas is established by the official FNMA prices with a 5-percent discount on the new FHA 5-percent loans.

At an interest rate of 4½ percent, the official FNMA prices are even more astonishing. For an FHA or VA-guaran-

teed mortgage at 4½ percent with a downpayment of less than 10 percent, the total FNMA discount and fees involved is 9 percent or a net effective price in Arkansas to lenders and builders of 91 percent. For the benefit of other members, I am including in this statement a table under which the effective FNMA prices for all States can easily be figured. In using the table, you must first count the 2-percent stock investment which all sellers must make on using FNMA and then add the required marketing fee, which varies from one-half to 1 percent, but on lower-priced housing is more usually 1 percent, today. To this 3 percent you must then add the discount set forth in FNMA base purchase prices and to the base purchase prices add the number of points listed in the table appropriate for the State involved.

FEDERAL NATIONAL MORTGAGE ASSOCIATION, BASE PURCHASE PRICES FOR SECONDARY MARKET OPERATIONS (EFFECTIVE JANUARY 30, 1957)

Required stock investment, 2 percent.
Required marketing fee, ½ to 1 percent.
FNMA purchase prices, see table below.

Type of mortgage	Interest rate	90 percent or less	Over 90 percent but not over 100 percent
	Percent		
FHA sec. 203 (b), 203 (i), 222 and 213 individual mortgages.....	5	90½	90
FHA sec. 203 (b), 203 (i), 222, and 213 individual mortgages.....	5½	95½	95
VA sec. 501 mortgages.....	4½	95½	95

State:	Deduct points
Alabama.....	1
Arizona.....	1½
Arkansas.....	1
California.....	1½
Colorado.....	1
Connecticut.....	0
Delaware.....	½
District of Columbia.....	½
Florida.....	1
Georgia.....	1
Idaho.....	1½
Illinois.....	1
Indiana.....	1
Iowa.....	1
Kansas.....	1½
Kentucky.....	1
Louisiana.....	1½
Maine.....	0
Maryland.....	½
Massachusetts.....	0
Michigan.....	1½
Minnesota.....	1
Mississippi.....	1
Missouri.....	1
Montana.....	1½
Nebraska.....	1
Nevada.....	1½
New Hampshire.....	0
New Jersey.....	½
New Mexico.....	1½
New York.....	0
North Carolina.....	1
North Dakota.....	1
Ohio.....	1
Oklahoma.....	1
Oregon.....	1
Pennsylvania.....	½
Rhode Island.....	0
South Carolina.....	1
South Dakota.....	1
Tennessee.....	1
Texas.....	1

State—Continued	Deduct points
Utah.....	1½
Vermont.....	0
Virginia.....	1
Washington.....	1
West Virginia.....	1½
Wisconsin.....	1
Wyoming.....	1½
Puerto Rico.....	1
Hawaii.....	1½
Virgin Islands.....	1½

NOTE.—If remaining term of an FHA section 213 individual mortgage exceeds 30 years, the price shown shall be reduced by ½ percent for each 5-year period (or part thereof) that such remaining term exceeds 30 years. Information regarding the purchase price of FHA section 207 and FHA section 213 project mortgages (management type) may be obtained from the appropriate FNMA office.

The postwar production of homes for our young families has demonstrated to the world the tremendous ingenuity and productive capacity of American private enterprise. Certainly it is my earnest hope that we are not now endangering the existence of the home building industry through current tight money policies placed in effect by the Administration. I am distressed, however, to learn that applications to the FHA in December reached their lowest monthly volume in 10 years, which of course forecasts a sharp reduction in residential construction during the coming Spring and Summer. In addition, I am advised that appraisal requests for new homes under the VA program were down in January one-third from a year ago and 60 percent below 1955. It seems clear to me that unless the Congress takes really effective action to bolster both FHA and VA financing, we are due for a real recession in residential construction. Needless to say, this will have far-reaching consequences in many directions through related industries and businesses.

It seems to me that we should pay close attention to the recommendations of the home building industry itself which is certainly the group most directly affected by this situation and perhaps in the best position to know what is needed as a remedy. I am impressed by their request for substantially more funds for FNMA than are contained in House Joint Resolution 209. I most sincerely hope that the House Banking Committee will give every consideration to the recommendation of the National Association of Home Builders that the Treasury-preferred stock in FNMA be increased by an additional \$250 million and that substantial immediate assistance be given to the mortgage market through the emergency FNMA special assistance funds. This should be to the extent of \$2 billion if necessary in order to assure a continued production of low-cost homes in many areas of the country where today, even under the FNMA secondary market program, the discounts being charged are too steep to permit the construction of housing for our low to middle-income families. These are matters upon which I have been given the most valuable advice from the people in my district, and I should like at this point to insert a letter from one of the most respected and ablest men in the

building and real estate field in Arkansas:

GUARANTY LOAN & REAL ESTATE CO.,
West Memphis, Ark., February 16, 1957.
The Honorable E. C. GATHINGS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: It is a well known fact that throughout the industry the target of the builder is a 10 percent net profit. Considering the risk involved and the work and planning which goes into a project, this is indeed a modest profit.

Ninety percent of our sales are made to veterans and these loans now carry 4½ percent interest. The only market in this area and others is Federal National Mortgage Association. FNMA discount on this loan today, including the 2 percent stock purchase and a 1 percent purchase and marketing fee, amounts to a total of 9 percent. Add to this other financing costs and you can readily see that builders cannot continue. As a matter of fact, in this area, only the strong builders remain, with all of the smaller under-financed, but nevertheless capable builders having been eliminated.

There is a very simple solution to this problem which could be put into effect by Congress in one day's time. All that is necessary is to raise the VA interest rate to 5 percent, and replenish the coffers of FNMA. There may be a better long-range solution, but for immediate help, this is the simplest way. FNMA pays about 4½ points more for a 5 percent loan than for a 4½ percent loan.

Another solution to the problem would be to lower the downpayments on FHA loans to 2 percent, the same as VA loans, and at the same time replenish FNMA.

It is obvious that those life insurance companies, savings banks, etc. which have been supplying VA and FHA money are no longer interested in this type of investment. As a matter of fact, one of the larger insurance companies told me just this week that instead of purchasing new VA and FHA loans, they were trying to unload the ones they already had in their portfolio, as so many more attractive and more profitable investments now exist for them.

It is nothing new for FNMA to become the only market for VA and FHA loans. For many years, FNMA was our only outlet. FNMA is a sound proposition. It has made money for the Treasury, and stands ready to sell to any investor who should become interested in VA and FHA loans their entire portfolio at market prices.

Sincerely yours,

JACK W. RICH,
President.

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

Mr. TALLE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Resolved, etc., That (a) section 303 (d) of the National Housing Act is amended by adding at the end thereof the following new sentence: "In addition to the preferred stock provided for in the first sentence of this subsection, the Association is authorized and directed to issue and deliver to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to accept preferred stock of the Association having an aggregate par value equal to \$50 million."

(b) Section 303 (e) of such act is amended (1) by striking out "pursuant to subsection (d)" and inserting in lieu thereof "pursuant to the first sentence of subsection (d)", and (2) by adding at the end thereof the following new sentence: "The preferred stock of

the Association delivered to the Secretary of the Treasury pursuant to the second sentence of subsection (d) of this section shall be in exchange for a note or notes of the Association, aggregating \$50 million in principal amount (and upon which the accrued interest shall have been paid through the date of delivery), held by the Secretary of the Treasury pursuant to the authority contained in section 304 (c)."

Mr. PRESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great deal of interest in this proposed legislation. I think it is timely and very essential legislation, but I think there should be some legislative history made during this debate that would tend to encourage FNMA to be more liberal in its purchasing policy. What they have been doing since this hard-money policy was established in this country is buying on such a selective basis and buying only the blue-ribbon type of paper, that many builders are not able to get their paper sold to FNMA. Consequently, they went to other markets to sell their paper, and when they went to some of the insurance companies or trust companies, that was the point at which they found that they had to pay exorbitant discount rates. Yes, those rates are 10 percent and higher in some instances. I know of a mortgage closed just very recently that sold in the State of Georgia at a discount of 10 percent.

The gentleman from California [Mr. McDONOUGH] was eminently correct when he said that the person who loses that money is the builder. He builds a \$10,000 house and hopes to make a \$1,000 profit. When he cannot sell his mortgage anywhere else, he resorts to a discount and winds up discounting for maybe \$750 to \$800 and makes a \$200 profit on his venture.

So I think we should emphasize during this debate that the Federal National Mortgage Association should do the very thing it was created to do; that is, to buy these mortgages brought about through commitments issued by another Federal agency, the Federal Housing Administration. What in effect it is doing is saying, "We do not like this paper," although this mortgage was created and developed on an FHA commitment basis and had its final inspection and the property was approved and met FHA specifications. And yet in many cases, when the paper is carried to FNMA, they will not buy it. They want only blue-ribbon paper. So they are defeating the purpose for which they were created. They are not carrying out congressional intent or the policy of the Congress. I hope when we give them this additional authority and, later on in this session, when we shall likely give them further authority to bring this total purchasing power up to \$1 billion, that they will liberalize their policy and help us solve this hard-money problem.

We have not said anything here today about the byproduct of this hard money policy and this business of not being able to build houses. I know of one community that had three lumber mills. All three of those mills have closed down because of this hard money policy, the inability of the contractors and builders to

sell their mortgages. The result has been that the lumber market has become so critical, so sick, that the only 3 lumber mills in that one town have completely closed down and people are out of work. One of them is liquidating.

Mr. MILLER of California. Mr. Chairman, would the gentleman yield?

Mr. PRESTON. I yield to the gentleman.

Mr. MILLER of California. Will the gentleman pursue that further and tell us what the effect has been upon the employment market, the people who filter the money in down at the lower level, the effect it has had on purchases by owners and builders?

Mr. PRESTON. Yes, indeed, it reaches down and goes into the building materials trade, it goes into the appliance business, it reaches every segment of our economy. A man desires to create a home and equip it, furnish it with the things that we are making in America, but he is denied that right, and when that happens that is bound to have an effect on the entire economy of the country. Of course, it will create unemployment. And that is one of the signs that they have been talking about around here, leading to a depression. The amazing thing to me is that we are doing so little about it.

If we are going to give FNMA this money, I certainly hope that they will live up to their responsibilities and buy this paper that was created by the Federal Housing Administration. It is another arm of the Federal Government and it should respect that paper. I think the officials of the Federal Housing Administration are competent. I think the experiences they have had in the building field have made them qualified to adequately and properly inspect and to create a good, sound mortgage. The Federal National Mortgage Association should buy every one of them that FHA has put its stamp of approval on, and not just buy the fine paper they want and turn the rest of it over to the wolves, who are gobbling it up at tremendous discounts.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman knows, too, that they discriminate against certain sections of the country. They will pay 93.5 for paper from one section, 95 from another section, and 96.5 from another one. They do not have a uniform rate.

Mr. PRESTON. They use the system of whatever the going rate is in that particular community. The gentleman is absolutely correct. That should not be. They should have a uniform policy throughout the Nation. I hope others share my opinion as to what the policy of the Federal National Mortgage Association should be.

The Clerk read as follows:

Sec. 2. Section 304 (c) of the National Housing Act is amended by striking out all of the second sentence after "or (2)" and inserting in lieu thereof the following: "such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this sub-

section to an amount greater than \$1,350,000,000."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 209) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions, pursuant to House Resolution 161, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FASCELL. Mr. Chairman, since the end of World War II the private home-building industry has produced more than 10 million new single-family homes in the United States. Even after adjusting for changes in the purchasing power of the dollar, it is significant to note that this total includes approximately 4 million new homes priced at \$10,000 or less.

House Joint Resolution 209, which will increase the total borrowing authority of the Federal National Mortgage Association by \$500 million, is not intended as a permanent solution to the problem of financing new-home construction. It will, however, help prevent the whole home-construction program from grinding to a near halt because of a collapse of the market for home loans.

The administration's tight-money policy has had a very serious effect upon low-cost privately produced housing. The FHA and VA home-financing programs have accounted for the great bulk of the low-cost housing built in the past decade. Since, roughly, 7 out of every 10 houses built for less than \$15,000 are being produced under FHA or VA programs, the importance of maintaining FNMA secondary mortgage operations can hardly be overemphasized.

While the distinguished members of the Banking and Currency Committee consider what legislation may be necessary to help maintain a long-range high level of new-home construction, this resolution will help meet the immediate

need for action to sustain current FHA and VA programs. These programs have proven of great value to all parts of our country. They have been of particular importance to those rapidly growing areas of the South and West where the demand for credit has been very heavy, but which have developed too recently to have accumulated the large pools of private capital such as exist in New York and New England.

I am grateful for this opportunity to express my support for this resolution.

GHANA, MARCH 6, 1957

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, one of the most far-reaching events of our time is taking place on March 6 at midnight—not here in the Western Hemisphere, but across the Atlantic in tropic Africa, where the great stream of evolution is moving with a new impetus. At that moment the British colony we have known as the Gold Coast will become the free land of Ghana, a new member of the commonwealth of nations.

It is a deep honor to have been asked by the President to be a member of the official party accompanying the Vice President and Mrs. Nixon to the celebration. I shall go out to this history-making occasion as your representative, carrying our profound good wishes and congratulations to the Prime Minister and the people of Ghana.

The Gold Coast is the first of the African colonies to receive autonomy. All eyes are turned toward Accra. What takes place there and throughout the pulsing hinterland to the north will have a far more widespread influence upon the future than can be readily comprehended at this moment. Emotion rides high among the people who are taking this great step into responsibility. Why should it not?

It is so very long since the great cultures of ancient Africa were swept into oblivion. Who is there that can tell of their magnificence, or sing of their glory? But the flow of the great tides of evolution is turning. Africa begins a new march into greater and greater influence, greater and greater responsibility.

Short as my 1955 visit to the Gold Coast was, it gave me a vivid sense of the surging urge to be a free nation that has become of first importance to all who dwell there. My heart has gone out to them, and I pray the Infinite Father of all mankind to send His blessings upon them, giving them a clearer vision of the responsibilities that they are assuming, granting them wisdom and understanding to carry forward with justice and mercy the difficult tasks that lie ahead.

No people understand this passionate longing for freedom more truly than we who are Americans. Certainly no gov-

ernment and no people stand more ready than we to serve the new state in whatever fashion will be most useful.

GENERAL LEAVE TO EXTEND

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill, H. R. 4897.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPECIAL ORDER GRANTED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to vacate the special order I have for today and that at the conclusion of the legislative business on tomorrow and the disposition of other matters on the Speaker's desk I may address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

HOUSING ALLOWANCE FOR MEMBERS OF THE UNIFORMED SERVICES, COAST AND GEODETIC SURVEY, AND PUBLIC HEALTH SERVICE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 156) providing for the consideration of H. R. 1056, a bill to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and their dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1056) to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and their dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT], and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 156 makes in order the consideration of H. R.

1056, a bill to permit members of the uniformed services, the Coast and Geodetic Survey, and the Public Health Service, with dependants, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters.

The resolution provides for an open rule, 1 hour of general debate, and waiving of points of order.

A bill similar to H. R. 1056 passed the House in the 84th Congress and was passed amended by the Senate. No conference was held and the legislation died.

The basic purposes of H. R. 1056 are first, to eliminate the present necessity of military personnel surrendering their housing allowance while being required, due to the family housing shortage, to occupy substandard quarters, and second, to provide an impetus for the improvement or disposal of substandard housing. Rental for substandard units should be, in the opinion of the committee, established on the basis of rentals for similar units in the area.

The Armed Forces Committee has reported the legislation favorably with two major amendments: one would reduce from 4 to 2 years the period in which to improve or eliminate inadequate quarters. The other amendment strikes out language which would repeal the act of July 2, 1945. The committee felt repeal of this act should be delayed until the housing situation of the uniformed services has become more fully developed.

The annual cost to the Government is estimated at approximately \$15 million, a figure which will be reduced as present housing programs make available adequate public quarters and eliminate substandard quarters.

I urge the adoption of House Resolution 156 so that the House may proceed to the consideration of this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield.

Mr. GROSS. Will the gentleman explain why the rule provides for waiving points of order?

Mr. BOLLING. My understanding is that in a sense there is a technical violation of the Ramseyer rule, in that the report fails to comply with the Ramseyer rule. There is nothing beyond that.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield.

Mr. VINSON. Mr. Speaker, I think it is important at this time to state that the Committee on Armed Services desires to offer an amendment at the proper time, and for the benefit of the House I want to state that an amendment will be offered creating a new section 6, which will read as follows:

Sec. 6. This act shall have no application to any housing financed with mortgages insured under the provisions of title VIII of the National Housing Act as in effect prior to the enactment of the housing amendments of 1955.

In other words, we are trying to say that this bill will not be used to declare any Wherry houses substandard. I want the House to know that Wherry houses, as acquired, will not be considered as substandard houses. At the

proper time that amendment will be offered.

Mr. BOLLING. Mr. Speaker, I have no further requests for time.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I know of no objection to this bill. It is for a limited period of time. It is to meet a specific need. It is not fair to require members of the Armed Forces to lose their basic allowance because of occupancy in these substandard houses. It is important that this housing be destroyed at the earliest possible time. The bill provides that. Of course the intent is that adequate housing later will be furnished.

I have no further requests for time, and I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. DURHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the immediate consideration of the bill (H. R. 1056) to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and their dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1056, with Mr. PRESTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. DURHAM] will be recognized for 30 minutes, and the gentleman from Iowa [Mr. CUNNINGHAM] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Florida [Mr. BENNETT] introduced this measure, which I feel is a sound measure. Actually the bill is made necessary because of a ruling by the Comptroller General. It is a bill which we should pass in fairness to all members of our Armed Forces throughout the country.

There is quite a large number of our military people involved, some 36,000 of them.

The gentleman from Florida [Mr. BENNETT] is extremely well informed on the subject, Mr. Chairman, and will explain the bill in detail to the House.

Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, the Armed Services Committee has unanimously approved H. R. 1056, which authorized the occupancy of substandard public quarters without loss of housing allowance.

Service personnel are provided, where available, two types of Government

housing: First, public quarters, which is housing for which the serviceman relinquishes his allowance for quarters; second, rental housing, which the serviceman occupies on a rental basis while at the same time he is entitled to receive his quarters allowance.

A gross inequity exists. We find today a man and his family living in a converted barracks which, were it not for the extreme military family housing shortage, should not be lived in at all. He surrenders his whole housing allowance for these quarters. Across the street or next door to him is a man living in fine public quarters which were constructed with appropriated funds—or, in the very near future, under the Capehart program—and he is paying exactly the same rent. We even find two men and their families living across the street from each other, both in quonset huts. One of the quonset huts was originally constructed as a warehouse and later converted to family quarters. This man pays the fair market rental—perhaps \$25 to \$40. On the other side of the street, the man and his family are in an identical quonset hut which was erected as a barracks with housing funds and later converted to family housing. This man surrenders his whole housing allowance which normally is \$96.90. This, it is submitted, is not just. Solely because of the difference in statutory foundations for public quarters and rental housing a member occupying substandard quarters surrenders his rental allowance the same as a member who occupies very fine Government housing.

Failure to find a solution expensively reduces reenlistments. This inequity is very destructive to morale. The serviceman who surrenders the same amount for substandard housing as his neighbor surrenders for very fine housing is frustrated by the inability of his branch of the armed services and the Government to find a solution to this gross inequity. It is a major and expensive deterrent to reenlistment. The impact on the families is severe and it will continue to be so until Government housing is recognized for what it really is: either public quarters or temporary, low-cost rental housing.

H. R. 1056 will solve this problem by, first, authorizing the service Secretaries to determine which housing is up to standard and which is substandard; second, authorizing occupancy of substandard housing on a rental basis regardless of the statutory origin of that housing; and, third, requiring that all the substandard housing be up to standard or disposed of promptly.

You will recall that a similar bill passed the House last year. The liberality of the Senate version was at variance with the House version and no conference was held. The bill, therefore, failed of enactment. It is anticipated that the Department of Defense will support the House version in the Senate and that the probabilities are good this year that the law can be enacted.

The Armed Services Committee has held two full hearings on this measure and strongly recommends its favorable consideration. Our committee amended the original bill in substantial respects.

These amendments are designed to shorten the time that the departments will have to improve or get rid of their substandard housing which includes quonset huts, converted barracks, and other such barely livable quarters. We cut the 4 year period to 2 years.

The committee also amended the bill so as to remove very broad discretionary authorities which the bill gave to the Secretaries of the various departments. As the bill was introduced, the Secretaries could make broad exceptions to the requirement that the housing be improved or be disposed of. The committee felt that leaving this discretionary authority in the Secretaries might well tend to perpetuate a situation which should be removed as soon as possible.

I hope I have made it clear that this whole unjust situation is based on an artificial distinction between various types of housing occupied by our military. The bill will do two major things; first, it will remove an inequity and second, it will aid in the improvement or demolition of these poor quarters. There are approximately 36,000 family units which would be affected by this bill, and this means 36,000 individual morale problems which actually do not need to exist.

We are by this legislation providing a sound solution to a serious morale problem and removing inequities in the field of public quarters. I hope that this needed legislation may be promptly passed in this session.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Georgia.

Mr. VINSON. Will the gentleman at this point discuss the committee amendment which was recently referred to by me on behalf of the Committee on Armed Services?

Mr. BENNETT of Florida. I will be very happy to do so.

After reporting out this bill, the committee, upon further thought, decided that it would be wise to indicate clearly in this measure that it did not and should not apply to the so-called Wherry housing.

For the most part, Wherry housing is not substandard housing, even though it is somewhat smaller than the other housing which is available to the military.

Also, I feel that the owners of Wherry housing projects throughout the country could suffer if the bill were used to declare any of this housing inadequate or substandard. It is my hope that just as many of the Wherry units as is possible can be acquired—and acquired as quickly as it can be done. If this type housing is declared by a military Secretary to be substandard, then the argument could be used by those opposed to the acquisition of Wherry housing that we should not acquire them because they are substandard.

Now we cannot have a situation like this. Every unit of Wherry housing that can be acquired should be acquired—and I do not want anything to stand in the way of their being acquired. They are expensive—they are costing the United States money every day—and it is the

better part of a poor bargain to acquire them and start saving money.

I feel, therefore, that we can help the situation greatly by placing this amendment in the bill.

Mr. VINSON. This amendment the committee desires to submit makes it crystal clear that it does not apply to Wherry housing?

Mr. BENNETT of Florida. That is correct. It has no application whatsoever to Wherry housing.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this is a very meritorious bill, one that corrects an inequity that has been found to exist in the establishments of the Defense Department throughout the country and, as I understand it, one that has existed for some time. It happens to be one of those injustices or inequities that arise as a result of change of condition over a period of years and the real need for correction is not brought to the attention of anyone at the proper time.

I wish to congratulate the gentleman from Florida, a member of our committee [Mr. BENNETT] for the work he has done in presenting this to the subcommittee headed by our eminent chairman, the gentleman from North Carolina [Mr. DURHAM].

It strikes me that this will correct a situation that hits at career men in the service, such as noncommissioned officers of the Army and Air Force and the petty officers in the Navy who are living with their families on a base or an establishment of the Defense Department. They are the type of men who because of their patriotism and their loyalty to the service will live in inadequate quarters without complaining. They take it as the saying is "on the chin" and go ahead because their whole training is such that they do not complain. They are the backbone of the service. It is unfair to force them and their families to continue to live in substandard housing when we know about it. We now know about it. This bill, with the much-needed amendment which will be later offered, will correct this situation.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from North Carolina.

Mr. DURHAM. I think it should be made crystal clear that the need for this is brought about by a ruling of the Comptroller General. We authorized in the committee \$96.90 in housing allowance for the first three grades. Now they surrender this whole amount because of an artificial situation in the law. The Comptroller General said that they must do this. So, therefore, the three upper enlisted grades cause the great part of our moral problem.

Mr. CUNNINGHAM of Iowa. And they are the grades that most need it?

Mr. DURHAM. Yes.

Mr. CUNNINGHAM of Iowa. They are the backbone of the service?

Mr. DURHAM. They are the backbone of the service; yes.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, let me describe one or two of the houses we are talking about.

At Guantanamo Bay, the big naval base in Cuba, one of the stalwarts of our Navy, a chief petty officer, with 28 years' service, is living in a house which has 600 square feet. A good-sized living room in a modern home is, by itself, 400 square feet.

This man had two children. Both of them were in a bedroom which measured 7½ feet by 5½ feet. The man and his wife occupied another bedroom of the same size. The interior walls of these bedrooms did not even extend to the ceiling. There was about a foot and a half space between the ceiling and the top of the wall.

The kitchen—I could best describe as an afterthought since there was simply a small three-burner stove set in a corner of the living room.

With the dignity that is so often found in the devoted enlisted man, he showed us his house. It was as neat as a pin, clean, and attractively decorated by the petty officer's wife. But it had 600 square feet in the whole house.

That man is paying \$96.90 for this house. It has a fair rental of perhaps \$25 or \$30 at most.

It keeps his family together, and with him, and that is why he is living in it.

What kind of treatment is this to a man with 28 years' service in our military and a man who represents the very backbone of the United States Navy?

Mr. DURHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, the sponsor of the bill, the gentleman from Florida [Mr. BENNETT] has explained it very, very adequately. I cannot believe that any Member would raise any serious objection to this legislation.

I would like to draw the particular attention of the House to the amendments which the Armed Services Committee made to the bill.

As the bill was introduced, the Secretary of a military department could, in effect, perpetuate these inadequate houses by excepting them from the requirement that they be improved or destroyed within a reasonable time—the military wanted 4 years, but we gave them 2.

The Secretaries also could except houses in areas where there was deemed to be a housing shortage. The committee felt that this could well apply to any military installation and so long as Congress permits these houses to continue in existence, they will be occupied, and occupied to the detriment of our military people.

No one can live under circumstances such as I have seen and many of you have seen and be, at the same time, the kind of military individual we expect in our Armed Forces. Dignity is not a natural result of slum living. We might find a very close connection between inadequate homes and inadequate military people.

So, I urge on all Members of the House to give this bill their full support—36,000 military families will give you their immediate thanks and the whole Military Establishment will be made aware again of the great interest which their Congress has in their welfare.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time just to keep the RECORD straight. May I ask the chairman of the subcommittee if this bill would result in the spending of about \$40,251,000? Is that correct?

Mr. DURHAM. That is correct.

Mr. GROSS. And it is estimated that approximately \$25 million would be returned over a period of time to the Government from rentals of this property, is that correct?

Mr. DURHAM. Correct.

Mr. GROSS. Leaving a projected unbudgeted expense of \$15 million, is that correct?

Mr. DURHAM. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, under unanimous consent of the House I am pleased to have reproduced in the CONGRESSIONAL RECORD the text of a telegram I sent today to the Honorable John Foster Dulles, United States Secretary of State, relating to the controversy between Israel and Egypt and the proposed imposition of sanctions on Israel by the United Nations. Certainly the United States of America should never compromise principle for expediency even though the expediency might involve oil riches beyond the comprehension of man.

Later I am going to ask unanimous consent to have reproduced in the daily CONGRESSIONAL RECORD the excellent poem entitled "Faith and Freedom," by Rose S. Goldman, wife of the former distinguished president of B'nai B'rith.

Mr. DURHAM. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, to me the most important part of this resolution is the fact that within a reasonable time, a period of 2 years, we hope to completely eliminate substandard housing for our military forces. The subcommittee which handled this legislation and the full committee which gave it unanimous approval was insistent that our Military Establishment, within a period of 2 years, do a very thorough job in the program of eliminating this substandard housing.

WHY 1945 ACT NOT REPEALED

We did not repeal the act of July 2, 1945, for a very good reason—it does not have anything to do with this bill whatsoever.

That law permits our military people to occupy on a rental basis certain houses which are under the control of the military.

Many of these houses are quite acceptable—many of them are farm houses, for example, acquired along with property needed to expand a military installation.

But the most important thing is that the people living in these houses—which are not public quarters—do so on a

wholly voluntary basis. That law, I think, should be repealed, but until we have sufficient housing to take care of our people, and I hope that will be in about 2 years, we should leave this law on the books.

I want to draw your attention to page 3 of the committee report and let me quote from that:

As the family-housing programs of the services progress, it will most probably be desirable to repeal the act of July 2, 1945. Upon repeal of the act, these quarters which are now rented will become public quarters and personnel occupying them will receive no quarters allowance. The committee considers the renting of housing under the July 2, 1945, act as a matter which should be reexamined when the housing situation of the uniformed services has had sufficient time for reasonably full development. It is expected that this development will have been achieved at approximately the date of termination of authority under this bill; that is, July 1, 1959.

That is the time to repeal the 1945 act. Mr. DURHAM. Mr. Chairman, I have no further requests for time.

The Clerk read as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and their dependents may occupy on a rental basis, without loss of basic allowance for quarters, inadequate quarters under the jurisdiction of any of the uniformed services, notwithstanding that such quarters may have been constructed or converted for assignment as public quarters.

SEC. 2. The Secretaries of the Army, Navy, and Air Force for the respective military departments, the Secretary of the Treasury for the Coast Guard when the Coast Guard is operating as a service in the Treasury Department, the Secretary of Commerce for the Coast and Geodetic Survey, and the Secretary of Health, Education, and Welfare for the Public Health Service (hereafter referred to as the "Secretaries"), are each authorized, subject to standards established pursuant to section 5 hereof, to designate as rental housing such housing as he may determine to be inadequate as public quarters.

SEC. 3. The Secretaries are each further authorized, subject to standards established pursuant to section 5 hereof, to lease inadequate housing to personnel of any of the mentioned services for occupancy by them and their dependents. The housing facilities leased, as herein provided, shall not be required to have been constructed with funds derived from appropriations specifically made for the purpose of the construction of rental housing for personnel of the services mentioned.

SEC. 4. (a) All housing units determined pursuant to section 2 of this act to be inadequate shall, within 4 years of such determination, either be altered or improved so as to qualify as public quarters, or be demolished or otherwise disposed of: *Provided*, That there may be excepted from the requirements of this section such housing as the respective Secretary shall determine, subject to the standards established pursuant to section 5 hereof, to be urgently needed because there is a shortage of housing located within a reasonable proximity and available at suitable rentals, but such exceptions shall be reviewed and redetermined at least annually.

(b) For such time as the Secretary concerned shall determine, there may be excepted from the requirements of subsection (a) of this section, housing which is inadequate for reasons of size alone under such criteria as the said Secretary shall prescribe

pursuant to standards authorized by section 5 of this act.

SEC. 5. The provision of this act shall be administered under regulations approved by the President.

SEC. 6. The Act of July 2, 1945 (ch. 227, 56 Stat. 316), is hereby repealed effective as of 1 year following the date of enactment of this act.

Mr. DURHAM (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, line 6, strike out "and their" and insert in lieu thereof "with."

Page 2, line 23, strike out all of section 4 and insert:

"Sec. 4. All housing units determined pursuant to section 2 of this act to be inadequate shall, prior to July 1, 1959, either be altered or improved so as to qualify as public quarters, or be demolished or otherwise disposed of."

Page 3, line 22, strike out all of section 6.

The committee amendments were agreed to.

Mr. BENNETT of Florida. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. BENNETT of Florida: Page 3, following line 19, add a new section 5, as follows:

"Sec. 5. This act shall have no application to any housing financed with mortgages insured under the provisions of title VIII of the National Housing Act as in effect prior to the enactment of the Housing Amendments of 1955."

Page 3, line 20, strike out the words "Sec. 5." and insert in lieu thereof "Sec. 6."

The committee amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask a question of the committee and that is if they will ask the Department of the Army to allow enough money in order that posts such as Fort Devens may have basements in their houses. At the present time many of the houses are built without basements. In some of the southern houses on the posts they have basements. I understand, at least I was told, the reason they have basements in the houses in the South is because the cost of building them is less. I wish more money could be spent on the houses at Fort Devens and other such posts in the North so that those houses could all have basements.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield to the distinguished chairman of the committee.

Mr. VINSON. I will say that it will be a pleasure to communicate the views of the distinguished lady from Massachusetts to the Department, on this matter.

Mrs. ROGERS of Massachusetts. I thank the distinguished chairman for

that and for many, many things he has done.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRESTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1056) to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and their dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters, pursuant to House Resolution 156, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

The title was amended to read: "A bill to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters."

A motion to reconsider was laid on the table.

SUBSTANDARD HOUSING BILL

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Speaker, H. R. 1056 will permit our military—in very large part, our enlisted personnel—to occupy inadequate and substandard public quarters on a rental basis. It will probably come as a surprise to many of you that a sergeant today is paying \$96.90 to live in half of a quonset hut. But this, unhappily, is the situation.

A law on the subject is highly artificial but nonetheless, has the effect of forcing our military people to surrender their whole housing allowance, whatever it may be, in order to live in a drafty, hardly habitable, converted barracks so that he can keep his family with him.

There are 36,000 of these families which today are living in housing such as I have described and who must be doing it on the basis of great devotion to the military services. Certainly their willingness to live this way cannot be because they think their housing is what they should have.

I have seen these quarters and most of the Members now on the floor have seen

them and wondered—as I have wondered—why don't we provide decent housing and get rid of these shacks. We are providing decent housing and the program is well under way. This bill will do two things toward improving the whole housing situation. First, it will remove injustice and inequity until the time when we will have sufficient proper housing for our military people and second, it will sound the death knell on the squalid living—and I mean squalid—which too many of our soldiers, sailors, marines, and airmen must suffer today.

This legislation is long overdue and the justice and fairness of what it will do commends the bill to all who are interested in the well-being of our enlisted people.

CRUDE OIL POLITICS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the progress of the congressional investigation on oil prices in the Middle East, as well as the tactics of domestic oil companies in raising their crude-oil prices, has produced such a confused picture that I believe the attached editorial from the Washington Post and Times Herald of Wednesday, February 20, 1957, will be of value to my colleagues and other interested persons.

There begins to emerge a clearer and clearer impression that a thorough-going review of the public interest in petroleum products is necessary in order to protect a public which is almost as dependent upon petroleum products as it is on transportation or any other publicly regulated commodities.

CRUDE OIL POLITICS

The congressional investigations of the muddle over the oil "crisis" have opened a tantalizing crack of light into a darkened room. It is good news, of course, that Europe is apparently receiving most of its oil needs while Near East supplies are temporarily blocked. But this positive achievement is clouded by a still-mysterious crude-oil price increase, a painful display of Government confusion over whether or not a real crisis existed, and a suggestion of ugly tactics among warring oilmen.

It now seems clear that much of the oil-lift controversy can best be read in terms of a continuing struggle between domestic and international oil companies. The domestics have long agitated for a reduction of oil imports, which now total about 1.5 million barrels a day. Oil from Venezuela and the Near East costs far less to produce than American oil and its sale represents a major source of profit to a handful of giant oil companies.

Defense Mobilizer Arthur Flemming has testified that on the eve of the Suez crisis he was ready to certify to the President that oil imports had reached a level endangering national security. Then came the closure of the Suez Canal. Hearings on oil imports were canceled. The emergency oil lift, run by the big international firms, was put into effect.

It had been thought that the emergency would require diversion to Europe of oil nor-

mally imported to this country. But it develops that there has been no appreciable slackening of imports to east coast refineries. This result was achieved, apparently, by juggling tanker routes so that a surprising 40 percent of Europe's overseas oil has been shipped from the Persian Gulf around Africa—twice the distance from Europe to the Gulf of Mexico. In other words, the import pattern apparently has been maintained throughout the emergency. Officials now say that it will be difficult to alter the market pattern once the emergency is over.

In the midst of the emergency, news of a "critical" crude oil shortage emanated from London and was subsequently echoed by the American Government on January 27. At best, this news was an honest blunder and at worst a deliberate hoax. One immediate effect was to discredit domestic producers. This newspaper, along with others, chided Texas regulatory officials for unreasonably restraining production in face of a "crisis." Whatever the cause of the error, the resulting uproar could not have displeased the international companies who are locked in battle with domestic producers.

It is not our intention to endorse the protectionist position of the domestic oilmen or to exonerate their behavior. Many domestic companies, it is clear, hoped that the Suez crisis would provide a strategic opening for a long-sought crude oil price increase. When Humble Oil (a subsidiary of Standard Oil of New Jersey) initiated a 12 percent increase, the whoops for joy could be heard all over Texas. The internationalists, too, profit from the increase; Standard of New Jersey, it appears, had estimated beforehand that an increase would raise yearly net profits by at least \$100 million. Yet considering the unhappy plight of this country's European allies, the timing of the increase could not have been more unfortunate.

Finally, the ambiguous role of the Government must be assessed. It may well be that administration officials were honestly persuaded that the effects of the closing of the Suez Canal required that the oil-lift program be turned over to the internationalists and that key antitrust restraints be dropped. It may also be that the Government was either confused or humbugged by bogus figures showing a "crisis," and that it therefore concluded that neutrality on the price question was necessary. But the results have been far from happy. If little else, the oil fiasco dramatizes the danger of handing over the steering wheel to members of an enormously powerful industry which seemingly can control neither its internal feuds nor its appetite.

DISTRICT OF COLUMBIA AUDITORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 128, 84th Congress, as amended, the Chair appoints as members of the District of Columbia Auditorium Commission on the part of the House: Mr. Harris, of Arkansas; Mr. Morrison, of Louisiana; Mr. Thompson, of New Jersey; Mr. Kearns, of Pennsylvania; Mr. Broyhill, of Virginia; Mr. Barnee Breeskin, of Washington, D. C.; and Mr. Robert Dowling, of New York, N. Y.

NATIONAL MEMORIAL STADIUM COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 523, 78th Congress, the Chair appoints as members of the National Memorial Stadium Commission the following members on the part

of the House: Mr. TEAGUE, of Texas; Mr. LANKFORD, of Maryland; Mr. KEARNS, of Pennsylvania.

HUNGARIAN REFUGEE PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, during the past weeks of this 85th Congress there has been considerable discussion on the pros and cons of the Hungarian refugee program. I think it is very important that we pause and examine the effectiveness of this program and its impact upon American life.

Up to the present time, 26,604 Hungarian refugees have entered the United States. This number includes approximately 6,300 who received permanent immigration visas and the balance of approximately 20,000 who entered this Nation as "parolees." Of this number, over 24,000 have been processed through Camp Kilmer and have been adequately sponsored and absorbed by our growing American economy. For the greater part, this wave of Hungarian immigration has given every indication of becoming a very useful and integrated part of our American life. These refugees have found homes, jobs, and for the greater part, a very happy life in America. Of the total number of Hungarian refugees who were processed at Camp Kilmer only 2,490 remain. Most of these were recent entries under the program. The astounding fact in the record is that less than 10 percent of the total program remain to be adjusted in American life, and this entire project nears completion within a period of approximately 90 days.

No undertaking of our Government can boast of a greater degree of success. During the hour of critical need the American people have renewed their place in the esteem of the peoples of the world for their generosity and hospitality to the oppressed. At the same time America proved itself a good neighbor to help Austria in an hour of critical need when refugees were overflowing the capacities of that little nation.

In this way America has done more than millions upon millions of foreign aid could do, and at the same time America is the gainer rather than the loser for its hospitality. The first wave of immigration in recent years was to provide a haven for the hordes who were oppressed under the dictatorship of Adolf Hitler; the second wave of immigration occurred to provide a haven for those who were oppressed by the dictatorship of Josef Stalin. This third wave was to provide a haven for the oppressed of present day Russian communism. This third wave of immigrants will prove to be just as stable, just as devoted to the American concepts of democracy and liberty as those who came in the first two waves.

The processing of Hungarian refugees at Camp Kilmer began with considerable turmoil and confusion. Twenty-two voluntary agencies endeavored to participate in the work. It is to the credit of Leo C. Beebe, Vice Chairman of the

Program and Director of Activities at Camp Kilmer, that this operation developed a professional technique. It is to the credit of Army Gen. Sidney Whooten that the housekeeping operation of Camp Kilmer was exemplary and beyond reproach, and the Nation owes a debt of eternal gratitude to Mr. Tracy Voorhees, Chairman of the Hungarian Refugee Program, whose devotion to duty and whose patience with people and organizations is without peer.

A SALUTE TO THE FUTURE FARMERS OF AMERICA

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, I would like to take this means of saluting the Future Farmers of America.

No national student organization deserves higher praise than the Future Farmers of America. Since its inception in 1928, this organization has become an integral part of the program of vocational education in agriculture in the public schools throughout our Nation, and the very foundation upon which it is built insures good citizenship and patriotism to the members thereof. The outcome of the growth of the "Future Farmer" idea resulted in the granting of a Federal Charter to the Future Farmers of America organization through passage of Public Law 740 on August 30, 1950, during the 81st Congress of the United States.

As stated in the FFA creed, I believe in the future of farming, with a faith born not of words but of deeds—achievements won by the present and past generations of farmers; in the promise of better days through better ways, even as the better things we now enjoy have come up to us from the struggles of former years.

And not only do I believe in the future of farming, but I am convinced that a decline in agriculture will threaten the lasting prosperity of all our people. Unless the American farmer and agriculture generally receive an equitable share of the national income it is impossible to have a sound prosperity. It is an indisputable fact that one-third of our entire population is dependent upon the American farmer. Yet today agriculture is undergoing a cost price squeeze while other segments of our population are prospering. Thus as the Future Farmers of America confirm their faith in the future of farming it must be not with words but with deeds.

Each year this Nation must have new farmers to replace those who die, retire, or otherwise leave the farms. They must be men of experience and training in order to be sure of attaining success, and such success is most easily attained by those who have begun farming at an early age. The Future Farmers of America and Vocational Agriculture constitute, I believe, the most effective program for training boys to become established in the farming occupations of

their choice. By reason of such training they will be enabled to go forward with purposes firmer and more clear.

Any worthwhile endeavor should not only be pleasant, but challenging. Certainly those of you who take up farming as a vocation will find pleasure in your achievements, and I am sure that any obstacles you encounter will only prove a challenge toward the furtherance of your goals. I am definitely pleased at the progress made by the Future Farmers of America, not only throughout the United States, but particularly in the Second Congressional District of Kentucky. Ours is primarily an agricultural district, and your contributions for the advancement of agriculture cannot be overestimated. I have faith that through your efforts a democratic balance will be maintained in this country, thereby safeguarding the interest, rights, and opportunities of all citizens.

While saluting the Future Farmers of today, I also commend you, and join in paying tribute to all the members of your fine organization.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NEAL (at the request of Mr. HARRIS) for 3 days, on account of official committee business.

Mr. RHODES of Pennsylvania (at the request of Mr. HARRIS), for 3 days, on account of official committee business.

Mr. FRIEDEL (at the request of Mr. FALLON), on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. TELLER, for 30 minutes, on Thursday, February 21.

Mr. VANIK, for 10 minutes, today, and to revise and extend his remarks.

Mr. BENTLEY, for 1 hour, on March 15 or, if the House is not in session on that day, on the first legislative day thereafter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS, his appraisal of the best-seller book, *The FBI Story*, by Don Whitehead.

Mr. PELLY and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. POFF.

Mr. SAYLOR (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. GATHINGS, to revise and extend the remarks he made in Committee of the Whole and include a letter and table.

Mr. LONG.

Mr. CARNAHAN and to include extraneous matter.

Mrs. KNUTSON.

Mr. HOLLAND and to include a resolution.

Mr. MULTER and to include extraneous matter.

Mr. DONOHUE and to include extraneous matter.

Mr. CANFIELD to extend his remarks in the body of the RECORD prior to the vote on the Treasury and Post Office Departments appropriation bill and to include a letter recently received by him from the Deputy Postmaster General.

Mr. SANTANGELO to include his own remarks together with the remarks of Mr. FINO and to include extraneous matter.

Mr. ALBERT (at the request of Mr. BOLLING) and to include a speech.

Mrs. ROGERS of Massachusetts and to include a telegram from her to the Secretary of State protesting against sanctions against the little State of Israel.

ADJOURNMENT

Mr. BROWN of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 12 minutes p. m.), the House adjourned until tomorrow, Thursday, February 21, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

513. A letter from the Acting Secretary of the Interior, transmitting a report stating that an adequate soil survey and land classification of the lands in the Juniper division, Wapinitia project, Oregon, has been completed as a part of the investigations required in the formulation of a definite plan for project development, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

514. A letter from the Acting Secretary of the Treasury, transmitting the annual report of the exchange stabilization fund for the fiscal year ended June 30, 1956, pursuant to the Gold Reserve Act of 1934, approved January 30, 1934, as amended; to the Committee on Banking and Currency.

515. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Export-Import Bank of Washington for the fiscal year ended June 30, 1956, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 97); to the Committee on Government Operations.

516. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 16, 1956, submitting a report, together with accompanying papers, on a letter report on Licking River at and in the vicinity of Covington and Newport, Ky., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 24, 1953; to the Committee on Public Works.

517. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 28, 1956, submitting a report, together with accompanying papers, on a preliminary examination of Holden Beach and Lockwoods Folly Inlet, N. C., authorized by the River and Harbor Act approved July 24, 1946; to the Committee on Public Works.

518. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 15, 1956, submitting a report, together with accompanying papers, on a let-

ter report on Manhasset Bay, N. Y., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted March 25, 1938, and December 30, 1938; to the Committee on Public Works.

519. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 16, 1956, submitting a report, together with accompanying papers on a letter report on Big Sur River (Sur River) and tributaries, Monterey County, Calif., authorized by the Flood Control Act approved August 18, 1941; to the Committee on Public Works.

520. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 16, 1956, submitting a report, together with accompanying papers, on a letter report on the Arkansas River, Hutchinson, Kans., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted January 21, 1944; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'NEILL: Committee on Rules. H. Res. 149. Resolution authorizing the Committee on Merchant Marine and Fisheries to conduct studies and investigations relating to certain matters within its jurisdiction; with amendment (Rept. No. 143). Referred to House Calendar.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 3028. A bill to provide for the relief of certain female members of the Air Force, and for other purposes; without amendment (Rept. No. 144). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H. R. 5097. A bill to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat; to the Committee on Agriculture.

H. R. 5098. A bill to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 5099. A bill to amend the Internal Revenue Code of 1954 so as to permit amounts paid for the institutional care of a disabled person to be deducted as medical expense; to the Committee on Ways and Means.

By Mr. ASHMORE:

H. R. 5100. A bill to provide additional office space in home districts of Congressmen, Delegates, and Resident Commissioners; to the Committee on House Administration.

By Mr. AVERY:

H. R. 5101. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax certain automobiles furnished without charge to schools for use in driver-training programs; to the Committee on Ways and Means.

By Mr. BAILEY:

H. R. 5102. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Ways and Means.

By Mr. BARING:

H. R. 5103. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to

provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. BARRETT:

H. R. 5104. A bill to preserve Gloria Dei (Old Swedes') Church National Historic Site by authorizing the acquisition of abutting properties, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H. R. 5105. A bill to provide for modification of the outlet works of Shadepill Dam, S. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H. R. 5106. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. CHENOWETH:

H. R. 5107. A bill to amend the Soil Bank Act to enable producers of Irish potatoes and other nonbasic agricultural commodities to participate in the acreage reserve program; to the Committee on Agriculture.

H. R. 5108. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mr. CRETELLA:

H. R. 5109. A bill to amend the Federal Firearms Act; to the Committee on Ways and Means.

By Mr. DAWSON of Illinois (by request):

H. R. 5110. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; to the Committee on Government Operations.

By Mr. DENTON:

H. R. 5111. A bill to designate the portion of the United States Highway No. 41 between Kentland, Ind., and Nashville, Tenn., a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

H. R. 5112. A bill to amend the Fair Labor Standards Act of 1938 to prohibit the discrimination in employment against individuals on account of their age; to the Committee on Education and Labor.

By Mr. DIXON:

H. R. 5113. A bill to amend the National School Lunch Act to permit junior colleges to participate therein, and for other purposes; to the Committee on Education and Labor.

By Mr. DORN of New York:

H. R. 5114. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the opening of the Brooklyn Bridge; to the Committee on Post Office and Civil Service.

By Mr. FALLON:

H. R. 5115. A bill to authorize funds for the improvement by the Secretary of Commerce of the Pentagon road network and that portion of the Henry G. Shirley Memorial Highway in Arlington County, Va., and to provide for the transfer of such highways to the Commonwealth of Virginia; to the Committee on Public Works.

By Mr. FARBSTEN:

H. R. 5116. A bill to amend the Federal Employees' Compensation Act to provide that an employee who has received compensation for disability for an aggregate period of 20 years shall thereafter be paid compensation for disability for the remainder of his life; to the Committee on Education and Labor.

By Mr. FASCELL:

H. R. 5117. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5118. A bill to raise the minimum wage under the Fair Labor Standards Act of 1938, as amended, to \$1.25 an hour, and for other purposes; to the Committee on Education and Labor.

H. R. 5119. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes; to the Committee on Education and Labor.

H. R. 5120. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Ways and Means.

H. R. 5121. A bill to reduce the maximum workweek under the Fair Labor Standards Act; to the Committee on Education and Labor.

By Mr. GUBSER:

H. R. 5122. A bill to admit free of duty a beta-ray spectrometer to be imported for use at Stanford University, Stanford, Calif.; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 5123. A bill to revise the definition of contract carrier by motor vehicle as set forth in section 203 (a) (15) of the Interstate Commerce Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5124. A bill to authorize the Interstate Commerce Commission to prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of power or train brakes; to the Committee on Interstate and Foreign Commerce.

H. R. 5125. A bill to prohibit transmission of certain gambling information in interstate and foreign commerce by communication facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H. R. 5126. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. HOLMES:

H. R. 5127. A bill to authorize the sale for feeding purposes of limited quantities of wheat of less desirable milling quality; to the Committee on Agriculture.

H. R. 5128. A bill to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. KING:

H. R. 5129. A bill to amend the public assistance provisions of the Social Security Act to provide increased payments, eliminate certain inequities and restrictions, and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

H. R. 5130. A bill to provide for the return to the athletic and recreation fund of Fort MacArthur, Calif., of certain proceeds of the show, Hey Rookie; to the Committee on the Judiciary.

By Mr. KITCHIN:

H. R. 5131. A bill to amend the Soil Bank Act to increase its benefits in the case of tobacco; to the Committee on Agriculture.

By Mr. KLUCZYNSKI:

H. R. 5132. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction

of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. KRUEGER:

H. R. 5133. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mr. LONG:

H. R. 5134. A bill to assist States in construction, expansion, remodeling, and alteration of buildings of State or Territorial soldiers' homes by providing grants to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mr. MCCARTHY:

H. R. 5135. A bill to amend sections 1231, 272 and 631 of the Internal Revenue Code of 1954 with respect to iron ore royalties; to the Committee on Ways and Means.

By Mr. MCGREGOR:

H. R. 5136. A bill to authorize the Postmaster General to provide mail delivery service to rural patrons by the most efficient and economical means possible, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MCINTIRE:

H. R. 5137. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mr. MACK of Washington:

H. R. 5138. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Ways and Means.

By Mr. MASON:

H. R. 5139. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 5140. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. MOORE:

H. R. 5141. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H. R. 5142. A bill to amend title X of the Social Security Act to provide for approval of State plans for aid to the blind without regard to the existence in any State of other programs of assistance to blind persons financed entirely by the State, and to provide for approval of any State plan for aid to the blind even though such plan makes provision for payment of a fixed monthly money payment to eligible blind persons; to the Committee on Ways and Means.

By Mr. NIMTZ:

H. R. 5143. A bill to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Service.

By Mr. OSMERS:

H. R. 5144. A bill to limit the acquisition and use by civilian agencies of the Federal Government of equipment for reproducing documents, drawings, papers, and so forth, on sensitized materials; to the Committee on House Administration.

By Mr. PERKINS:

H. R. 5145. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Depart-

ment; to the Committee on Post Office and Civil Service.

H. R. 5146. A bill to amend section 9 (a) of the Civil Service Retirement Act to liberalize the annuity computation formula for employees in the lower average salary groups; to the Committee on Post Office and Civil Service.

H. R. 5147. A bill to increase the annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PHILBIN:

H. R. 5148. A bill to repeal the Public Buildings Purchase Contract Act of 1954, to require certain distribution and approval of new public building projects, and for other purposes; to the Committee on Public Works.

By Mr. RHODES of Arizona:

H. R. 5149. A bill to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings; to the Committee on Interior and Insular Affairs.

By Mr. SANTANGELO:

H. R. 5150. A bill to establish recognition and observance by Post Office Department of all State holidays; to the Committee on Post Office and Civil Service.

By Mr. WATTS:

H. R. 5151. A bill to amend the Civil Service Retirement Act so as to provide for the inclusion of certain periods of service which were not covered by a Federal appointment; to the Committee on Post Office and Civil Service.

By Mr. WESTLAND:

H. R. 5152. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS of Louisiana:

H. R. 5153. A bill relating to the computation of annual income for the purpose of payment of pension for non-service-connected disability or death in certain cases; to the Committee on Veterans' Affairs.

By Mr. LESINSKI:

H. R. 5154. A bill to amend the National Labor Relations Act in order to permit supervisors to be considered as employees under the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. RODINO:

H. R. 5155. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 5156. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

By Mr. POFF:

H. J. Res. 245. Joint resolution proposing an amendment to the Constitution of the United States empowering the Congress to authorize the President to approve and disapprove separate items or provisions in appropriation bills; to the Committee on the Judiciary.

By Mr. CHIPERFIELD:

H. Con. Res. 118. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. CLARK:

H. Con. Res. 119. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. LANE:

H. Con. Res. 120. Concurrent resolution expressing the sense of Congress with respect to a satisfactory accounting of 450 American prisoners of war who were not accounted for by the Communists; to the Committee on Foreign Affairs.

By Mr. MORANO:

H. Con. Res. 121. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H. Con. Res. 122. Concurrent resolution relative to inviting Spain to become a member of NATO; to the Committee on Foreign Affairs.

By Mr. Hiestand:

H. Res. 172. Resolution to amend the rules of the House to limit appropriations for fiscal year 1958; to the Committee on Rules.

By Mr. LANE:

H. Res. 173. Resolution expressing the sense of the House of Representatives with respect to the continued illegal imprisonment of 10 Americans by the Chinese Communists; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BERRY: House Concurrent Resolution No. 1, adopted by the Legislature of the State of South Dakota, 35th session, memorializing the Congress of the United States to establish a joint congressional committee to investigate the cost of living and marketing margins as it pertains to agricultural commodities; to the Committee on Rules.

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing Congress to reduce the cabaret tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5157. A bill for the relief of Eliseva Kaufman (Saltz); to the Committee on the Judiciary.

H. R. 5158. A bill for the relief of Stefano Salvo; to the Committee on the Judiciary.

By Mr. ASHLEY:

H. R. 5159. A bill for the relief of Janis Vitins; to the Committee on the Judiciary.

By Mr. BATES:

H. R. 5160. A bill for the relief of Margarete Herzog; to the Committee on the Judiciary.

By Mr. BASS of New Hampshire:

H. R. 5161. A bill for the relief of Mrs. Madeleine A. Work; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 5162. A bill for the relief of Mrs. Shang-Ying Wu; to the Committee on the Judiciary.

By Mr. DEVEREUX:

H. R. 5163. A bill for the relief of Forest H. Byroade; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5164. A bill for the relief of Alicia Ruiz de Avalos; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 5165. A bill for the relief of Boleslaw Zagata; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H. R. 5166. A bill for the relief of Michael George Petrakis; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 5167. A bill for the relief of Hwa-Tung Lee (Gordon Lee) and his wife, Chi-Wan Mow Lee (Jane Lee); to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5168. A bill for the relief of William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 5169. A bill for the relief of Frank J. Farley; to the Committee on the Judiciary.
H. R. 5170. A bill for the relief of the estate of Edward J. Vaerten; to the Committee on the Judiciary.

H. R. 5171. A bill for the relief of Ida Horneinstein; to the Committee on the Judiciary.

H. R. 5172. A bill for the relief of Edith Brown; to the Committee on the Judiciary.

By Mr. LENNON:

H. R. 5173. A bill for the relief of Mrs. Frieda Clausen Crews; to the Committee on the Judiciary.

By Mr. MCGREGOR:

H. R. 5174. A bill for the relief of Daniel Wilging; to the Committee on the Judiciary.

By Mr. MCVEY:

H. R. 5175. A bill for the relief of Maria Talloura; to the Committee on the Judiciary.
H. R. 5176. A bill for the relief of Lorenza Castro-Carmona; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 5177. A bill for the relief of Mrs. Azniv Y. Hasserdjian; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5178. A bill for the relief of Herbert Maza; to the Committee on the Judiciary.

H. R. 5179. A bill for the relief of Anna L. Braman; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 5180. A bill for the relief of Mr. and Mrs. Arthur J. Herbst; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 5181. A bill for the relief of Cherine Khalil Matta; to the Committee on the Judiciary.

By Mr. PROUTY:

H. R. 5182. A bill for the relief of Yvonne Wong; to the Committee on the Judiciary.

By Mr. REES of Kansas:

H. R. 5183. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Padblac Co., Inc., and Harry G. Lankford, of Wichita, Kans.; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 5184. A bill for the relief of Ralph Miranda and his wife, Maria Miranda; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 5185. A bill for the relief of Giuseppe and Teresa Belluardo; to the Committee on the Judiciary.

By Mr. VINSON:

H. R. 5186. A bill for the relief of Dorothy E. Green and Thelma L. Alley; to the Committee on Armed Services.

By Mr. WALTER:

H. R. 5187. A bill for the relief of Mrs. Antonietta Giorgio and her children, Antonio Giorgio and Menotti Giorgio; to the Committee on the Judiciary.

H. R. 5188. A bill for the relief of Lieselotte Elisabeth Parsick; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 174. Resolution providing for sending the bill H. R. 2648 and accompanying papers to the United States Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

92. By Mr. SMITH of Wisconsin: Resolution adopted by the department executive committee of the Department of Wisconsin, the American Legion, on January 26, 1957, vigorously protesting the enactment of any part of H. R. 64 which would affect the pensions or other benefits of veterans residing at the Grand Army Home at King, Wis., or in any other State soldiers' home; to the Committee on Veterans' Affairs.

93. By Mr. TAYLOR: Petition of the Beekmantown, N. Y., Woman's Christian Temperance Union, urging Congress to get alcoholic-beverage advertising off the air and out of interstate commerce; to the Committee on Interstate and Foreign Commerce.

94. By the SPEAKER: Petition of the executive director, Hawaiian Government Employees' Association, Honolulu, T. H., petitioning consideration of their resolution with reference to increasing the pay of legislators of the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Ukrainian Independence Day

EXTENSION OF REMARKS OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Wednesday, February 20, 1957

Mr. BUTLER. Mr. President, January 22 was the anniversary of Ukrainian

Independence Day. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a short statement commemorating this important day in honor of a brave and gallant people.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

In recent months the world has witnessed in Hungary the outward manifestations of man's undying will to be free. In the klieg

lights of world attention we have been shocked by the savage wrath of the Soviet dictators as they have, with ruthless abandon, sought to extinguish flames of freedom in this peace-loving nation.

Yet, the tragic occurrences in Hungary are not an isolated instance of Communist terror. Many a patriot has died gallantly without any knowledge of his sacrifice reaching the free world. Furthermore, countless millions of people behind the Iron Curtain are continuously confronted by conditions so inhuman and depraved as to test their very will to survive.

That the gallant people of the Ukraine have met this test through a generation of Communist tyranny, slavery, individual and mass cruelty and slaughter shall always be one of the noblest chapters in man's struggle for freedom and liberty under God.

How many men, women, and even children of the Ukraine have gone to their death in defense of their ideals during the past 30 years; and how many more lives need be sacrificed before even the atheistic dictators of the Soviet finally understand those simple principles of faith which give mere man the infinite strength to survive oppression? We do not know, but we do know that the people of the Ukraine will continue to resist and will continue to offer their very lives as a sacrifice for attainment of their ideals.

The people of the free world must rededicate themselves to the struggle against Soviet tyranny which seeks to enslave the entire world. The people of the Ukraine and the other enslaved nations of Europe do not struggle and die for principles which they alone hold dear, but for those inalienable rights which free men everywhere cherish.

We who now enjoy freedom and independence must overcome any human failings incident to the present enjoyment of these rights. The people of the Ukraine and the millions of others now enslaved under the Communist yoke must be sustained by our will to resist the spread of communism. The fight must and will continue. Beyond any doubt, and irrespective of what evil forces the Soviet dictators might bring to bear against them, the people of the Ukraine will carry on the fight until we achieve our common objective—peace and freedom for all peoples of the world.

Atoms for Peace

EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 20, 1957

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the Senator from Rhode Island [Mr. PASTORE] at the American Chemical Society Symposium, held at Johnson's Hummocks, Providence, R. I., February 8, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY UNITED STATES SENATOR JOHN O. PASTORE AT AMERICAN CHEMICAL SOCIETY SYMPOSIUM, JOHNSON'S HUMMOCKS, PROVIDENCE, FEBRUARY 8, 1957

Ladies and gentlemen, I deeply appreciate your invitation to share in this occasion. Allow me to compliment you that you find time out of your busy days and individual responsibilities to come together for the exchange of ideas—and for that comradeship that brings a better understanding of common problems.

I am grateful that you permit me to add a thought or two, which I hope will be in keeping with the mood of your meeting of this afternoon.

Out of my experience in the Senate—particularly with such activities as atomic energy, the Geneva Conference, the United Nations, and the meetings that led to the establishment of the international agency for the peaceful uses of atomic energy—I must pay at least a moment of tribute to

the men of business and the men of science who have done so much to create and to strengthen this thermonuclear age.

The word "thermonuclear" is awe inspiring to the man in the street. Perhaps he reads in his newspaper a definition—"Thermonuclear reaction is similar to what goes on in the interior of the sun—liberating enormous amounts of controlled energy in the form of light and heat—without which life could not be maintained on this planet we call our world."

Even a man who hasn't been doing any thinking at all will pause and reflect on this. If it wasn't for the light and heat of the sun, man just wouldn't have any existence at all.

Man's fear of the forces of nature is older than civilization—but man gradually learned to live with them and by them because he learned to make use of them.

Now—as one writer puts it—we are more afraid of what man will do with nature than what nature will do with man.

Man first learned to use fire—and made civilization workable.

Man learned to convert heat into mechanical work—and created the industrial age.

Now—man knows how to convert nuclear energy into heat and he isn't quite sure he knows what to do with his new-found power.

Again I pay my respects to the scientists of many lands, whose eager research attacked the secret of the atom in the belief that its usable energy would be the greatest gift that could be made to mankind. And I pay special honors to the scientists in our own land—our own and our adopted sons—for they, too, had intended their atomic researches for peaceful purposes.

But when they sensed the sinister plans of other nations, they alerted this country to its dangers.

Then, with singular dedication and devotion, they preserved the secret of their researches—and their success was known only on the devastating day of Hiroshima.

Because it broke upon the world with such a terrifying impact—bringing to an end the greatest war in which men had ever been engaged—it is natural that the world thought of atomic energy as a weapon.

Perhaps, as a weapon, it was natural that the Government should hold a monopoly. The elements of spending, speed, secrecy, and security would warrant that.

In the present state of world affairs, it is probably necessary that we, for the security of the free world, maintain a position of strength in nuclear weapons.

But, of at least equal importance, has been our national quest for peace, our national dedication to atoms for peace, and our invitation to industry to come and share in the calculated risks and the rewards of this atomic age.

The Atomic Energy Act of 1954 was such an invitation to private participation. There were new freedoms under the law to promote atomic-power development, but these freedoms were unfamiliar to businessmen accustomed to the secrecy and security regulations of wartime.

They did not know how to go about doing business, for instance, with foreign markets for their reactors.

I saw much of this change in the Geneva Conference of August 1955. I saw the surge of a new spirit in atomic development, for here were scientists from every corner of the earth exploring what to do to make the atom a servant of man for a brighter and better future.

The Russians were there with evidence of their atomic-power reactor which they said had been in operation for more than a year. The British were there, too, and their showing was centered around atomic power. Already their station, Calder Hall, is operating with an output of 55,000 kilowatts.

True, the situation of England might be called more desperate, for Britain has no oil to speak of.

Its coal is in thin seams and far below the surface.

Its oil imports are limited and costly. The recent Suez crisis and the administration's new program for the Middle East graphically accentuate and illustrate this hunger for conventional fuels. And so the British feel and say that the discovery of nuclear energy and its application to power on a large scale has come like the answer to a prayer. By 1975 they hope to be saving—through nuclear power—the equivalent of 40 million tons of coal a year, representing largely the high-cost coal they import from the United States. Here again it is hard for many of us to understand that Great Britain is now importing coal. Therefore, we cannot be too surprised about the British being anxious and enthusiastic in every way possible to promote their atomic power production. Their need for this source of energy on a domestic level is much greater than our own because of the God-given abundance that we enjoy in natural resources. But even in spite of this abundance, there are men today who worry about our sources of energy in the not too distant future, just as the scientists 20 years ago were worrying about our diminishing coal and oil supplies when they were caught up in the excitement of exploring the atom.

There are men today who tell us that our fluid fuels will run out in the period of 1970-80. These are men who say that atomic energy is here to stay because it will be not only our primary source of energy, but we will be absolutely dependent upon it as our population increases, and haven't we been promised a population of 200 million before long?

Perhaps it is in this mood that there develops a school of thought that feels all this must be shouldered by private enterprise. They say, "Let this be the sole risk of free enterprise for profit and let us rid the Government of all responsibility for 'atoms for peace'." And then there is a school that says, "Let the Government do the whole thing alone."

In my judgment, both schools are wrong and yet both are partly right.

The path to progress and peace is one of partnership.

For atomic energy is not merely a domestic problem. We have assumed—or the logic of events has brought upon us—the world leadership of the nations of the world that would be free.

Leadership brings risk and responsibility.

In the world of today the wealth of a nation is measured by its consumption of energy.

Power is as essential to the health of a nation as food or water. We must provide the researches and the resources of power for ourselves and for those nations we would have as our friends.

It would be indeed wonderful if private industry could rise to the needs and accomplish this alone, but this would be asking too much. First of all, nuclear investment is tremendous. Nuclear power is not competitive with conventional power costs as we know them today. And what is most important at this point—we are living in a world where research in this particular field has become a keen competitive business, where other nations, such as Great Britain and Russia, will find this source of power competitive with conventional fuels much sooner than we only because through our abundance of resources our competitive costs for domestic production is much lower than in other lands.

Only this past week, in discussing this matter with the three wise men who have come here representing Euratom, I was told by Prof. Francesco Giordani at a breakfast that was held in their honor at the Capitol that whereas our national average cost per kilo-

watt-hour is 4 mills, their countries would be more than satisfied and consider it a great achievement if they could produce electric power at a cost of 14 mills per kilowatt-hour. I cite this to point up the need for greater effort in our development of atomic power, realizing that in other parts of the world there is greater interest and greater need for this development because of the high cost of electric power production. And never let us forget that necessity has always been the mother of invention.

True enough, there are problems of health in areas about reactors that have not yet been solved.

True enough, there are problems of insurance that are insoluble just now because insurance companies have no experience tables to guide them. It was for this reason that our Joint Congressional Committee on Atomic Energy recommended in the last Congress a program for Government indemnity in order to remove this roadblock.

We also presented another bill authorizing the Atomic Energy Commission to build full-scale power reactors up to a total cost of \$400 million. These bills did not pass both branches of the Congress. It is my fervent hope that they will do so this year, and soon.

Private industry, on its own, is in no financial position to assume this tremendous burden.

Furthermore, when the President of the United States delivered his inspiring speech in December of 1953 before the General Assembly of the United Nations urging the establishment of an international agency for atomic energy, the development of atomic energy for electric power essentially became part of our foreign policy. And, as long as it remains so, it behooves the Government to work with private industry in the development of this source of power so that we can win the hearts and the minds of the people all over the globe who yearn for freedom.

We cannot drift into thinking that private power has deliberately been dragging its feet.

In 1955 the Commission invited private companies to construct nuclear plants with some aid from the Government. A number of proposals have been made and accepted. Our own Yankee project in New England is a notable example and—as emphatically as I can say it—we must do much more of this. For if these reactors are built on sites already being utilized by existing public utility companies, the men who will have the responsibility of dealing with this art in the years to come will grow with its development—will learn all that has to be learned through the evolution of time, and, as we perfect a reactor, we will also be perfecting its assimilation with the generation of steam and the distribution of other electric current in our traditional fashion of free enterprise.

Furthermore, we must remember that the actual work on reactor development has been carried out entirely by industries and universities, with the Government providing the laboratories and the money, though private companies, by 1957, had already begun to put substantial amounts of their own money into research and planning. That—to my mind—is partnership, and in this fast developing art, we should have much more of it.

I must, however, admit that we have not been moving fast enough to prove our own know-how in a world that we have led to believe can look to us for help and for hope. We should be able to sell, ship, and set up abroad, working nuclear powerplants for friendly countries that need them. I have already mentioned to you the “three wise men” of Euratom. Here we find an opportunity of working with six integrated European countries for the development of this art in a spirit of partnership, where we can help them and they can help us in the development of power through the use of atomic energy.

Furthermore, even the less favored areas can have small-scale plants which would be of immense value to them and indeed a basis of friendship and comradeship with us.

Here is the opportunity to raise the standard of living in many countries, to remove pestilence and disease and indeed remove the causes of war.

Let us summarize our situation. Nuclear energy can be the salvation of free nations and the solution of the hunger and hopelessness of distressed peoples everywhere.

We lead in research and resources and we have accepted world leadership in the peaceful development of the atom, but results are not reaching up to our responsibilities. Time and cost are of the essence. Costs are beyond the reasonable risk of private enterprise in the domestic field and surely beyond private reach where we compete for the uncommitted nations against Soviet influence.

Government must close the gap, but it must do it in cooperation with and not in competition with private industry.

We need the manpower and we need the mind power that free enterprise can supply to supplement our Government needs. We no more seek to dominate domestic industry than we seek to colonize sovereign peoples—however helpless, however humble. This is not a case of public power versus private power. It is a partnership in patriotic power.

For atoms for peace can be made to be something more than a phrase as we make our wealth, knowledge, and uranium available to the people of the free world. The Atomic Energy Act of 1954 provides the machinery for all these steps. We have already negotiated more than 40 bilateral treaties for the exchange of materials and intelligence. The entire world is just hungry to enter into the promised land where the atom will provide not only power, but relief from poverty and disease—the timeless miseries that have afflicted mankind through the centuries.

It will be unnecessary for me to recall the golden promises of atomic research in the fields of chemistry, of agriculture, of food preservation, and of medicine. Yet there is a temptation to dwell on this new world of health and happiness, security and peace, and opportunity that science under God holds forth to man for the asking—and for the deserving.

I say “under God,” for science reveals no law, no result, no circumstance, that did not already exist. God, for reasons of His own, seems to withhold these blessings until man has need for them.

This discovery seems to have come in a time of the world's deepest despair—with man utterly helpless against the furies and hates of man for man. Suddenly man has within his own power the determination whether this civilization shall be destroyed or survive, whether it shall disappear, or whether it shall carry man on to greater achievements of material happiness.

I said, some moments ago, that we are more afraid of what man will do with nature than of what nature will do with man. But I think we need not be afraid. I am sure that nations will not choose suicide. I am sure that God will not permit mere man to destroy this work of centuries, into which has gone the labor of love of saints and heroes. I say that with all the sincerity at my command.

So let us be about the Master's business. Let us all be partners in a job that needs doing, doing well and doing promptly.

Let us pressure business, if that is our responsibility.

Let us pressure Government, if that is our duty.

Let us make atoms for peace a going business and a coming blessing.

We have promised it to the world. Let's keep our promise.

Hon. Joseph R. McCarthy Reports to the People of Wisconsin

EXTENSION OF REMARKS

OF

HON. JOSEPH R. MCCARTHY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, February 20, 1957

Mr. MCCARTHY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD my report No. 13 to the people of Wisconsin.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE PEOPLE OF WISCONSIN— REPORT NO. 13

INTRODUCING A NEW MEMBER OF THE FAMILY

Before getting down to the serious business of the Senate and the Nation, I want to introduce the new member of our family, Tierney Elizabeth. With her limited vocabulary, she has conveyed the hope that she will see many of you in Wisconsin after this session of the Senate.

NEW OUTLET FOR DAIRY SURPLUS

Some time ago I mentioned a new cheese process, developed by a Wisconsin firm. This process, which has been under experimentation for a considerable period of time, is designed to open a market for cheese in those areas of the world where the people, because of lack of dairy herds, etc., have not developed a taste for cheese. Some time ago the Pakistan Government ordered a test lot of this new process which was processed to remove the natural taste of cheese and substitute a curry flavor, which is popular in that area of the world. It was tested as a mix with rice in the soup kitchens. The report we now have received is that it proved very popular. The Pakistan Government has ordered an additional five tons of this processed cheese for further tests. Those interested in the project tell us that if the matter of paying for the cheese can be worked out, Pakistan alone can use in excess of 50 million pounds of cheese per year. This, of course, will go a long way toward solving the dairy surplus problem. The cost to the Government, incidentally, of storing cheese runs in the neighborhood of 10 cents per pound per year. On the other hand, the cost of processing this new cheese product, plus the packing and shipping, is estimated to be slightly less than 5 cents a pound. I have been working closely with both the Pakistan Government and the United States agencies involved, with the hope that this new development in cheese processing will help to solve the surplus problem.

FARMER-TO-CONSUMER PRICE GAP SHOULD BE NARROWED

I recently requested the Senate Agriculture Committee to investigate the reasons for the sizable gap between the price paid the dairy farmer for milk and the price being paid by the consumer. This request was not made because I felt that dairy companies were making too large a profit. I have, however, been increasingly disturbed by the fact that our Wisconsin dairy farmers are receiving approximately 7 cents per quart for milk, while the consumer is paying upward of 22 cents per quart. It seems logical that there should be some way of narrowing this gap. Today I received a letter from the chairman of the Agriculture Committee to the effect that they would go into this matter in the near future.

ATOMS-FOR-PEACE TREATY

I am sure you have all heard of the highly touted "atoms for peace" program, and you have probably been wondering what exactly is involved behind the glowing generalities.

First of all, what is this "atoms for peace" treaty supposed to accomplish? The idea, roughly, is to provide a means by which nations that have the technical know-how and material necessary to produce atomic energy can give their know-how and atomic materials to nations that do not have them. For this purpose an international agency is to be set up which will act as a kind of international broker to receive the atomic information and material from the "haves" and distribute it to the "have nots." This idea of sharing the wealth might seem rather appealing on the surface. As we shall see, however, offering to share our atomic wealth is in a class with the police and sheriffs departments offering to share all of their weapons and ammunition with hoodlum elements.

ATOMIC GIVEAWAY PROGRAM

The United States is, of course, a "have" nation with regard to atomic materials, and we have already acted accordingly. The President has already promised to give 5,000 kilograms of uranium 235 to this international agency for distribution to other countries, effective the day the agency comes into being. What is more, we have promised to give an additional 15,000 kilograms during the next 3 years, provided a similar amount is given during that period by all of the other nations of the world combined. Twenty thousand kilograms is sufficient to produce 2,200 atomic bombs, enough to wipe every major American city off the face of the globe.

The cost of 20,000 kilograms of this atomic material is estimated at \$500 million. The delivery of it is provided for in the treaty as follows:

"Article IX, section D: On request of the agency a member shall, from the materials which it has made available, without delay deliver to another member or group of members such quantities of such materials as the agency may specify."

Therefore, if we approve this treaty, we could be required to load the atomic material on our planes or ships and take it to any Communist country the agency names. Any member of the United Nations organization is authorized to take part in this program. Also, any other nation, such as Red China, which might not be a member, could take part if a majority of the nations already belonging so provided by a majority vote. Incidentally, the total number of nations that have signed up to date is, roughly, 75. This includes practically every Communist and Iron Curtain country. The first nation to ratify the treaty was Russia. However, Russia has not offered any atomic material to the agency such as we have. Up to now she has merely gotten in line to receive.

It should be noted that we will have only 1 vote out of 75 or 80. The day-to-day decisions will be made by a Board of Governors composed of 1 member from each of 23 nations.

UNITED STATES HAS NO PROTECTION

The nations that receive this atomic material are not, of course, supposed to use it for war purposes. But no responsible scientist and no responsible proponent of the treaty will deny that this material can easily be converted into atomic bombs.

Those who favor this treaty claim that we are safeguarded because it provides that the agency may inspect to find out how this material is being used. The inspectors, of course, will again be selected by a group of nations in which we will be badly outnumbered by the Communist bloc. Likewise, if the inspectors find that a country, say Russia, is using the material to make

atomic bombs, there is nothing we can do by way of recapturing the material unless, of course, we decided to go to war and retake it. We could, of course, withdraw from this international agency, but the treaty makes no provision in such case that we would be able to reclaim from the agency materials already donated but not committed to any nation.

Incidentally, the United States has already entered into 37 individual bilateral agreements with various friendly countries concerning research and the construction of atomic power reactors, under conditions that provide some measure of self-protection to the United States. Therefore, why can't the "atoms for peace" program be pursued under these bilateral agreements? Why do we need this treaty? Why do we have to join an international monstrosity that deprives us of our protection and that includes our enemies along with our friends as recipients of American give-away?

The \$500 million figure only refers to the cost of the atomic material. In addition to donating the \$500 million worth of atomic bomb material, under the treaty, we would pay for the cost of the operation of the agency at the same ratio we pay for the United Nations. Last year, incidentally, our contribution to the United Nations was approximately \$70 million. I, of course, shall oppose this treaty.

The Controversy Between Egypt and Israel

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mrs. ROGERS of Massachusetts. Mr. Speaker, under unanimous consent of the House I am pleased to have reproduced in the CONGRESSIONAL RECORD the text of a telegram I sent today to the Honorable John Foster Dulles, United States Secretary of State, relating to the controversy between Israel and Egypt and the proposed imposition of sanctions on Israel by the United Nations. Certainly the United States of America should never compromise principle for expediency even though the expediency might involve oil riches beyond the comprehension of man.

The telegram follows:

FEBRUARY 20, 1957.

The Honorable JOHN FOSTER DULLES,
Secretary of State,
Department of State,
Washington, D. C.:

The leadership and the respect of the United States among the free nations as well as with the people all over the world will be seriously damaged if for any reason the United States should compromise principle for expediency. Israel is not an aggressor nation in this current crisis. Israel has been forced to fight to protect its land and its people ever since it was established as a sovereign State. Israel is not making a demand to keep Egyptian territory won by the sword. Israel has not refused to comply with a request of the United Nations to withdraw its military forces from Egyptian territory. Israel has refused to withdraw its military forces from Egyptian territory unless Israel receives a guaranty of protec-

tion by the United Nations from the constant acts of aggression of Egypt. As a sovereign free nation, the Government of Israel has a duty to protect its land and its people. In this crisis, Israel is doing exactly that which any responsible sovereign nation would do under similar circumstances. Israel's position in this crisis is completely right.

In view of this fact I shall oppose with all my strength and power the imposition of sanctions or any similar vehicle of force upon the Government of Israel either by the United States of America or by the United Nations.

EDITH NOURSE ROGERS,
Member of Congress.

Needed New Legislation for Family Farm Parity Income

EXTENSION OF REMARKS

OF

HON. COYA KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mrs. KNUTSON. Mr. Speaker, I shall introduce tomorrow a bill to substitute parity income as a concept for agriculture to replace the present parity price system. The bill is designed to substitute the price ratios, section 301 (a) (2) of the Agricultural Adjustment Act of 1938, as amended.

It is necessary that people of the country who do not live on farms should understand the severity of the current farm depression. If they were told by the Government reports each month that farm income is only 44.4 percent of parity income which these reports now show as 82 percent price parity, there should be greater sympathy and understanding among city consumers. That is the purpose of this bill. It is essentially the plank I fought for—and we won—in the platform committee of the Democratic National Convention of 1956. It is the plank Secretary Benson disliked so heartily.

Under leave to extend my remarks, I insert figures into the RECORD that show the difference between these two approaches:

A. To calculate parity farm family net income for 1957:

1. Start with: Nonfarm population per person income, 1956, \$2,009.
2. Divide into: Farm population per person income, 1956, \$893.
3. Gives: Net farm family income parity ratio, 0.444.

4. Divided into: National realized farm operators net income, 1956, \$11,900,000,000.
5. Gives: Parity farm family net income for 1957, \$26,800,000,000.

B. To calculate parity farm gross income for 1957:

6. Start with: Farm production expenses, 1956, \$21,900,000,000.
7. Multiplied by: January 1957 index of prices of production items, wages, taxes, and interest (1956=100), 103.
8. Equals adjusted production expenses, 1957, \$22,600,000,000.
9. Plus parity farm family net income, 1957, \$26,800,000,000.
10. Equals: Parity farm gross income, 1957, \$49,400,000,000.

C. To calculate income parity adjustment facts for 1957:

11. Parity farm gross income, 1957, \$49,400,000,000.

12. Divided by: Average realized farm gross income, 1947-56, \$34,100,000,000.

13. Equals: Farm income parity adjustment factor, 145 percent.

D. To calculate the farm parity income equivalent price of wheat:

14. Average price received by farmers, for wheat, 1947-56, \$2.06.

15. Multiplied by: Parity income adjustment factor, 145.

16. Gives: Farm parity income equivalent price, \$2.99.

Income parity equivalent prices calculated by proposed new income parity formula compared with parity prices calculated by price parity formulas in existing law, January 1957

Commodity	Parity equivalent prices calculated by—		Average prices received by farmers	
	Proposed income parity formula ¹	Price parity formulas in existing law	1947-56	Jan. 15, 1957
Beef cattle..... hundredweight.....	\$29.15	\$22.10	\$20.10	\$14.90
Beef calves..... do.....	32.05	24.40	22.10	16.60
Lambs..... do.....	32.24	24.60	22.30	18.00
All chickens..... pounds.....	.377	.282	.256	.171
Eggs..... dozen.....	.621	.473	.428	.353
Turkeys, live..... pounds.....	.484	.308	.334	.276
Hogs..... hundredweight.....	28.42	21.60	19.60	17.30
Corn..... bushels.....	2.18	1.80	1.50	1.23
Wheat..... do.....	2.99	2.49	2.06	2.09
Barley..... do.....	1.75	1.34	1.21	1.05
Oats..... do.....	1.14	.864	.783	.752
Grain, sorghum..... hundredweight.....	3.35	2.62	2.31	2.13
Rye..... bushels.....	2.10	1.65	1.45	1.22
Soybeans..... do.....	3.92	2.98	2.70	2.31
Flaxseed..... do.....	5.87	4.50	4.05	3.04
Cottonseed..... tons.....	93.53	71.00	64.50	60.40
Butterfat..... pounds.....	.961	.730	.663	.574
All milk, wholesale..... hundredweight.....	6.28	4.76	4.33	4.16
Manufacturing milk..... do.....	5.16	3.91	3.56	3.39
Cotton..... pounds.....	.480	.366	.336	.302
Tobacco (types 11 to 14)..... do.....	.732	.558	.505	.527
Rice..... hundredweight.....	7.42	5.69	5.12	4.57
Beans, dry edible..... do.....	12.11	9.29	8.42	6.88
Peanuts..... pounds.....	.158	.135	.109	.111
Potatoes..... hundredweight.....	3.18	2.42	2.19	.156
Wool..... pounds.....	.850	.645	.586	.620
Hay, baled..... tons.....	32.34	NA	22.30	20.90
Sweet potatoes..... hundredweight.....	6.82	5.17	4.70	4.67

¹ Average prices received by farmers for commodity during immediately preceding 10 calendar years or marketing seasons multiplied by 1951 parity income adjustment factor of 145.

Morris Weisberger

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. MULTER. Mr. Speaker, another of my constituents has reached a high post from which he can continue to serve the public interest.

The vacancy caused by the untimely death of Harry Lundeberg, leader of the Sailors Union of the Pacific, has now been filled by the election to that important position of Morris Weisberger.

It was typical of Mr. Weisberger's anti-Communist activities to immediately announce, upon his assuming this important post, that there will be no change in the union's policies from those followed by his predecessor, indicating in no uncertain terms that the union will continue to support the American way of life and oppose all leftwing activities.

Mr. Weisberger came up from the ranks, having been a deepwater sailor on all types of ships.

He is a good, solid American with hard common sense, who can be relied upon to do the right thing for the members of his union without being unfair to em-

ployers, and always giving due regard to the public interest.

His many friends wish him well.

Single-Item Veto

EXTENSION OF REMARKS

OF

HON. RICHARD H. POFF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. POFF. Mr. Speaker, I have introduced a bill today which I believe will, if enacted, make a real contribution toward the control of nonessential expenditures by the Federal Government. My bill calls for a constitutional amendment which would authorize the Congress to empower the President to veto individual items in appropriation bills without vetoing the entire bill.

Presently, the Constitution makes no distinction between appropriation bills and organic legislation and requires the President either to sign or veto every measure in its entirety, even though he may approve certain parts and disapprove others. It is extremely difficult for a President to veto an appropriation bill in its entirety. Money for essential expenditures required by law must be appropriated before the new fiscal year be-

gins. After a veto, often there is no time for Congress to reconsider the measure. Although the President may strongly object to some nonessential or exorbitant item in the appropriation bill, he cannot, by vetoing the entire bill, jeopardize the availability of the essential funds. Recognizing the President's dilemma, Congress often pads appropriation bills with funds for pork-barrel projects. Congress also frequently attaches what is called a rider, which may amend some old organic law or enact some new organic law having nothing whatever to do with appropriations. For example, in the 84th Congress, the House attached to the defense appropriation bill a rider depriving the Defense Department of the right to dispose of business-type projects in competition with private enterprise. Although President Eisenhower strenuously objected to that rider, he had no power to veto it separately but was compelled, in order to provide funds for military defense, to sign the entire bill.

In the past, there have been several attempts to provide the President with the single-item veto power by writing that power directly into the body of the Constitution. These attempts have failed because of the fear that the President might abuse this power, and if the power should be written directly into the body of the Constitution, the abuse could be corrected only by another constitutional amendment revoking the power, a process ordinarily requiring about 7 years.

My bill meets this objection. Instead of writing the single-item veto power directly into the body of the Constitution, my bill would amend the Constitution to authorize the Congress to pass a statute granting the President this power. Under this process, if the President should abuse this power, then the power could be speedily revoked by the Congress itself simply by the passage of an act repealing the statute.

While there has recently been much pious talk in Congress about cutting the budget—a project which I most heartily endorse—my fear is that this Congress may instead try to increase the spending budget, or at least, individual items in the budget. If the President could veto these items without vetoing the whole bill, he would be better equipped to hold the line on Government spending and thereby control the menace of inflation. I earnestly trust that this bill will receive early and favorable consideration.

Washington Seminar on Government

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 20, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article by our distinguished colleague from Missouri [Mr. HENNINGS], which appeared

in the NEA Journal for February of this year. The Senator from Missouri discusses in his article the new program of the National Education Association for establishing a Washington seminar on government, for elementary and secondary school teachers, in order to increase the understanding of government in the classrooms of the Nation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I CONGRATULATE THE NEA ON ITS WASHINGTON SEMINAR ON GOVERNMENT

(By THOMAS C. HENNINGS, JR.)

It is a pleasure to take this means of congratulating the NEA, and especially its travel division and its department of social studies, for establishing a Washington seminar on government, planned especially for elementary- and secondary-school teachers.

I understand that this seminar, given during a 5-week period in the summer, includes briefings by a number of prominent Government officials, extensive visits on Capitol Hill, and meetings with a number of well-known personalities.

Certainly today the teacher has no greater responsibility than that of understanding the operations of our Government and of being able to portray them accurately and with human interest. To me, the importance of a teacher's concern for government cannot be overestimated. Our citizens and future voters must be quickened in their awareness of the operations of our Government.

It is axiomatic that a well-informed electorate is essential in directing those in authority toward the wisest and most just course. When there is a lack of interest and understanding on the part of those charged with molding the future of our country, our democratic system is not functioning effectively. The influence, then, of better-informed teachers is without doubt a major factor.

Such a firsthand experience is bound to result in greater understanding of the forces that operate in our democracy. Attending various sessions of the executive, legislative, and judicial branches gives a vivid and concrete reality to the faults as well as the virtues of our Federal Government. It is extremely important that all of us understand the weaknesses in our system, for understanding is essential to correction.

When teachers see the personalities, agencies, and all the other various forces that interact on each other, they will certainly come away with a more accurate picture of the complex Government machinery.

For instance, a great many people do not understand the function of the various congressional committees, and most people do not realize what a quantity of important work is done in committee sessions. In these meetings, Congressmen hear witnesses and draft legislation. It is only after careful research and exchange of ideas that legislation reaches the floor for consideration.

Teachers will be allowed a thorough look into these laboratories of Congress, because the seminar has recognized the importance of allowing ample time to attend meetings on Capitol Hill. I understand that there will be opportunity to visit various Government agencies and to learn of the services they perform.

For example, briefing sessions will familiarize teachers with such little-known congressional activities as performing services for constituents. Their requests vary widely and require such different activities as the following: Gathering and sending information about better agricultural methods, assisting people in their applications for social-security benefits, helping them to meet the

proper Government authorities in making international trade arrangements.

I know that by personally witnessing the dynamics of our Government, those attending the seminar will be able to get the feel of Washington—a place that is uniquely itself, and yet, at once a major instigator and reflector of much that is happening in the world today.

I urge as many teachers as possible to make an effort to attend the 1957 Washington seminar. (For further information about the seminar, to be held June 24–July 26, write to NEA Travel Division.)

Statement of Hon. Elmer J. Holland in Support of Senate Joint Resolution 38

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. HOLLAND. Mr. Speaker, I rise in support of this most worth while and badly needed legislation.

While I am heartily in favor of additional authorization of funds for the Federal National Mortgage Association, I should like to interject a word of caution as to the manner in which these additional funds are spent.

There is no question in anyone's mind that there is drastic need for more housing construction to meet the requirements of our ever increasing population. The sad fact of the matter is, however, that in 1956 there were 200,000 fewer homes built than in 1955. The present year promises further decline due to the so-called tight money market.

To my way of thinking, it was a great mistake in 1954 to make Fanny Mae a mixed ownership corporation instead of a Government owned institution. The net, and I might add unfortunate, result is that it now operates like a private business—at least in its secondary operations.

I think the FNMA's current pricing practices involving large discounts, has been a predominant factor in increasing housing costs. This is true because builders are inclined to slap the consumer with additional financing costs, just as is done with increases in cost of actual materials used in homebuilding.

Taking the case of a typical sale of a \$13,000 GI loan to FNMA, we find the total cost amounting to 9½ percent or more than \$1,200 for the mortgage. This is a disgraceful price for an exserviceman to be forced to pay for financing his home.

The FNMA since 1954 has insisted it must operate at a profit so it can pay dividends on the stock which is privately held, as well as the stock held by the Government. The present program of large financing charges is a product in part of private stock investment policies of the company.

There is also a great need for additional FNMA authorization of special assistance funds for providing housing where it is most desperately needed.

Under previous legislation, mortgages relating to the following groups or areas have been designated as eligible for purchase by FNMA under its special-assistance program: military; territories; renewal and relocation; disaster and elderly persons.

On special-assistance programs, no private money is invested and no private stock sold since FNMA operates with Government money as do other Government agencies. Mortgage financing should be made available on reasonable terms for these needy segments of the population.

Middle class families are also in trouble. Costs of land, lot development, and construction are all going up—along with costs of financing.

There is a serious housing need among the families of moderate incomes who are below the level which can be reached by private housing construction with present financing. These families are above the income level served by subsidized public housing. In short, they are caught in the middle with their housing needs neglected.

A sound national housing policy requires a program that will meet the needs of these families of moderate income. Their needs can be met without Federal subsidies, under a program which would be privately owned and privately constructed.

To bring the cost of housing within their reach, it is necessary that loans be made available at lower interest rates and longer-term amortization.

To assure that the benefits of such financing are reflected entirely in lower monthly costs, this type of loan could be made available only to cooperatives and nonprofit corporations.

I believe a nonprofit mortgage corporation should be established to finance cooperative housing developments. Labor unions and other institutions interested in cooperative and nonprofit housing would be prepared to invest large sums in such a venture.

A cooperative nonprofit mortgage corporation may be the answer to the entire problem. Such a program would make it possible to meet the housing needs of families of moderate income for whom housing cannot now be built under existing legislation.

Congress Should Limit Expenditures

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. PELLY. Mr. Speaker, what a welcome and heartwarming valentine could have been offered to each and every American citizen last Tuesday, February 14, 1957, if the House had acted in accordance with section 138 of the House Rules Manual of the 84th Congress which I understand became effective under the Legislative Reorganization Act.

This rule requires a Joint Committee of the House and Senate to prepare and submit by February 15 of each year a legislative budget for the purpose of limiting expenditures. This procedure should be followed because it is the constitutional obligation of the Congress, not the President of the United States, to control the appropriation of the taxpayers' money, and if we had followed the rule we could have already acted to reduce the budget and curb inflation. Certainly such a course of action is what the American people desire.

Since no legislative budget was prepared or submitted the various spending bills will come to us piecemeal without, in my opinion, sufficient overall regard to a desirable ceiling. Yesterday our distinguished colleague from New York [Mr. RAY] introduced House Resolution 170, which would have set the budget at a limit of \$65 billion, and provided that any Treasury revenue in excess of this amount in fiscal 1958 be used one-half to reduce the national debt and one-half toward a tax cut.

I have not had an opportunity yet to study all implications and details of House Resolution 170, but in principle I subscribe to such a program of cutting drastically the budget. In other words, like any tailor we should cut our suit to fit our cloth. That is proper management procedure; that is good business practice. It is if we propose to hold the line and check inflation as well as lighten the heavy burden of taxation which the taxpayers of this Nation have shouldered for so many years.

The Federal Government has certain fixed charges. We have certain obligations fixed by law that must be paid. These cannot be reduced. Also we have necessary adjustments in the salaries and annuities of Federal workers and retired people which must be made. If we do not keep Government rates of pay somewhere in line with private business and the cost of living it will increase turnover and result in false economy. I think, too, that normal services of the Government must go on.

On the other hand there are many flexible appropriations, including defense and foreign aid. These must conform to the pattern of fiscal responsibility. Otherwise we will defeat our purpose and spend ourselves into bankruptcy or unchecked inflation. Some such limit as \$65 billion should be set, and in this regard I hope the Rules Committee will speedily grant public hearings on House Resolution 170. Its author, the gentleman from New York, is entitled to support and commendation for his action in submitting this resolution. I do not say that \$65 billion is the right amount, but I do believe that an overall limit should be set, and regret that a joint committee was never appointed from the House Ways and Means Committee and the Finance Committee of the Senate to prepare and submit by February 15 a budget in accordance with the recommendations of the legislative branch of the Government, which as I said is the one that is responsible for controlling Federal expenditures.

The Refugee Problem

EXTENSION OF REMARKS

OF

HON. GEORGE S. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. LONG. Mr. Speaker, all Americans, I believe, are possessed of generosity and a sympathetic feeling toward the misfortunes of their fellow man. We are anxious to help those who need help. Charity is a wonderful thing, but I submit that to carry charity to the extent of destroying our own economic foundation is really defeating the entire purpose of doing good.

It is with growing alarm that I have followed the Hungarian refugee situation. At its inception the refugee program was not a large undertaking and the number of refugees was a realistic figure. But that number has increased by leaps and bounds and the original program to open our doors to a few unfortunates has broadened to the point where we are almost engulfed by a tide of immigrants who, in my opinion, could scarcely qualify as bona fide refugees. I often wonder just what constitutes a "refugee." Is it someone who is discontented with the way of life in his homeland and seeks greener pastures elsewhere? Is it someone who for economic or social reasons wishes to make a new start? Is it someone who has become ambitious to travel to a modern day utopia, which is exactly what America means to many peoples of this world? I rather think that the term "refugee" probably encompasses all of these categories of humanity.

I find it hard to generate much enthusiasm over the Hungarian refugees who have deserted their homeland in time of crisis and who under the guise of Freedom Fighters have migrated in wholesale lots to the promised land—America.

And now comes a special message from our President who is asking that our Nation's welcome mat be thrown down to the countless hordes who are oppressed by communism. The very first question that comes to my mind is, Where are our native-born citizens going to eventually wind up if we keep bringing large portions of the rest of the world into this land of ours which is bounded on the east by the Atlantic Ocean and on the west by the Pacific Ocean and on the north by Canada and the south by the Gulf of Mexico and Mexico? Sooner or later we will burst at the seams. It does not make sense to crowd and crowd and overcrowd because such continued importations will surely lead to our downfall.

The McCarran-Walter Act has certainly proven entirely adequate to our immigration program and the attendant problems. There is no reason to depart from a program which is adequate and designed to take care of normal immigration problems without flooding our population with those from other lands.

In my opinion there is no justification or merit to the President's request for virtually an open-door policy favoring worldwide immigration into the United States.

I might add that we must not overlook that part of the world which we know as the Far East when we consider refugees from communism. I am sure there are untold millions in the Far East who could qualify on that basis just as there are millions in the Middle East and in European countries.

The FBI Story—A Report to the People

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. RIVERS. Mr. Speaker, back in 1950, there appeared a book by one Max Lowenthal entitled "The Federal Bureau of Investigation." To the casual observer, it was a pretentious-looking volume—some 500 pages, apparently well documented and seemingly representing a thorough study of that great agency of our National Government. The author took great pains to assert that this book was a complete and accurate picture of the FBI.

This book, in fact, was not a serious study of the FBI at all. It was a compilation of distortions, innuendoes, and falsehoods the like of which have seldom been concocted by the mind of man. I took the floor of this House on November 30, 1950, to warn against the pernicious, un-American and disgustingly foul stench which oozed from its pages. Mr. Lowenthal tried every device known to evil minds—from Machiavelli to Joseph Stalin—to tear down the great accomplishments of J. Edgar Hoover and his men. Year after year these valiant men had worked, day and night, to protect our Nation from the enemies of crime and communism, only to see this stealthy, malicious-minded character, with the stiletto of hypocrisy in his hand, attempt to assassinate its reputation. I was not alone in warning against the unfairness and inaccuracy of this pseudo-study by Mr. Lowenthal. Many of my colleagues in Congress sounded similar warnings. Newspaper editors, civic leaders, law enforcement officials, and men and women of all ranks of life joined to defend Mr. Hoover.

For this reason all good Americans who have faith in truth and justice are overjoyed to learn that now, for the first time, our citizens have an accurate, fair, and complete account of the FBI—an account which shows up Mr. Lowenthal's book as the warped product of a poison-pen mind. I refer to Don Whitehead's best seller, *The FBI Story: A Report to the People*, only recently published by Random House. Where Lowenthal's book was prejudiced and biased, Mr. Whitehead's is fair and accurate; where Lowenthal's was twisted and distorted,

using half-truths and quotations out of context to prove preconceived ideas, Whitehead, with the finesse of a trained historian, allows the facts to speak for themselves. The response to this book has been truly amazing. It has shot up to the top of best-seller lists, bookstores report that demand exceeds supply, and commentators and reviewers everywhere have given it a well-deserved pat on the back. The FBI Story is, indeed, a fine contribution of modern-day journalism to helping the American people know firsthand just how this vital agency of the Government works.

The quality of this book is stamped by the integrity and ability of its author. Don Whitehead, I am proud to say, is a good southern boy. He was born in Virginia and grew up in Kentucky. He attended the university of that distinguished State, later becoming affiliated with a Harlan, Ky., newspaper. From then his rise was rapid until in World War II he became renowned as one of the Nation's top war correspondents, later to be awarded two Pulitzer prizes. Mr. Whitehead worked for the Associated Press and his assignments sound like the rollcall of American troops in action. He was a frontline correspondent, and, in fact, was involved in five amphibious assault landings, including D-day on Normandy Beach. In 1950, with the outbreak of the Korean war, Whitehead, again as an Associated Press correspondent, was with our troops at the Inchon landing, the capture of Seoul, the campaign in North Korea. For his excellent stories, often pounded out amid the most trying conditions, Mr. Whitehead was awarded his first Pulitzer prize. In 1952 Whitehead was one of three reporters selected to accompany General Eisenhower, then President-elect, on his famous mission to Korea. For his coverage of this historic visit he received his second Pulitzer prize. At present he is chief of the Washington Bureau of the New York Herald Tribune.

This professional ability of Mr. Whitehead comes forth in his book. He had access, within the limits of security, to the records of the FBI. He was free to examine them at will, to ask questions and to draw his own conclusions. Frequently he had the opportunity to review information never previously known outside the FBI itself. He was able, working day after day, to trace the rise of the FBI, from its earliest beginnings in 1908, for almost half a century. He saw clearly the problems faced by this organization, the personalities involved, the steps taken to carry out its responsibilities, and finally, the record it has made. After carefully examining these documents and records, he wrote—page after page, chronicling, fact by fact—the story as he saw it. This book represents the facts, gleaned at first hand, by an able American journalist, free to write as he pleased.

The very title of the book, *The FBI Story: A Report to the People*, is indicative of Whitehead's approach—so unlike Mr. Lowenthal's. Whitehead, carefully analyzing the facts, wanted to give the American people—in the same spirit he had served them for years as a newspaper

reporter—the facts. This book represents his report about the FBI to the people.

And what he found gives pride to all true Americans. After seeing the FBI in operation—in World War I, against the gangsters of the 1930's, in the fight against World War II espionage and subversion, in the battle against communism—Whitehead came to the basic conclusion that it "represents the people's effort to achieve government by law." He was satisfied that it was an agency protecting justice, freedom, and the rights of the individual. He found that it was as interested in securing the facts to exonerate the innocent as to convict the guilty. He saw the FBI as an agency worthy of the highest traditions of this great Nation. It is doing its job well. The American people have nothing to fear from it.

All of us in this Nation can take great pride in the achievements of the FBI. Mr. J. Edgar Hoover, its Director, is a great servant of the American people. He has devoted his entire life to public service, emphasizing the highest ideals of integrity, incorruptibility, and loyalty. America needs more men like J. Edgar Hoover. We can give thanks to Mr. Whitehead for giving us the true story of the FBI and laying to rest, once and for all, the distortions of Mr. Lowenthal.

Government Aid to Colleges

EXTENSION OF REMARKS

OF

HON. CLIFFORD P. CASE

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Wednesday, February 20, 1957

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial which appeared in the Newark (N. J.) Star-Ledger on January 26, 1957, and a copy of my letter to the editor of the Newark Star-Ledger which was published in that newspaper on February 8, 1957.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Newark Star-Ledger of January 26, 1957]

SENDING HIM TO COLLEGE

New Jersey's Senator CASE has made the observation that youth is being priced out of the college market. He cites the increased cost of operating colleges which, reflected in higher tuition rates, is actually denying higher education to a large number of promising students.

The Senator suggests Federal aid to States to help expand and construct 2-year colleges as a means of extending educational opportunities to those unable to afford 4 years in college.

CASE's proposal has considerable merit, but unfortunately it could become immersed in a serious educational question that has been argued for a long time. This debate involves the role of the 2-year colleges and their ability to fully prepare students for highly technical careers.

On the one side it is pointed out that 2-year colleges serve a highly useful purpose in

training young people for stenographic, nursing, art and some types of medical careers. On the other side, it is argued that they cannot train engineers, scientists, teachers, doctors and other technical people for whom there is such a great need.

Thus, until the debate is finally decided and the roles of the two types of colleges are established to the satisfaction of both, it would seem better to use any available Federal grants for the production of skills most needed at the present time. That would not only be of enormous value to the Nation but at the same time would fulfill the now unattainable dreams of many deserving youngsters.

This aid could take the form of State or Federal scholarships to talented though needy students who currently lose out on a college education because of the limited number of private endowments. The bulk of the private scholarships now go to class valedictorians. But what of the student with straight 90's who wound up 3d, 4th or 5th in his class? Scholarships available to this group are usually insufficient to help him clear the 4-year hurdle. Result: A wasted resource.

If the Federal Government is to embark on an extensive college aid program, this seems to be the field which would produce the greatest harvest.

[From the Newark Star-Ledger of February 8, 1957]

CASE ASKS COMMUNITY COLLEGES

I have read with great interest the editorial which appeared in the Newark Star-Ledger of January 26, 1957, on my suggestion for expanding facilities for college education.

While I recognize that many youngsters do need financial help in obtaining a college education, it seems to me the major problem is one of providing colleges for them to attend. The vast growth in our population and in the percentage of youngsters desirous of obtaining a college education has meant that many qualified young men and women are finding there is no room for them.

It is clear we do need additional college capacity throughout the country. As you know, the New Jersey State Board of Education has warned that by 1963 one out of every three young people in New Jersey wanting to go to college will find no place unless we move to create facilities.

It seems to me that actually there is a need for both kinds of college training—the 2-year type, which would help develop the semiprofessional and technical workers who have become so essential in our society, as well as the 4-year colleges and professional schools which produce the engineers, scientists, teachers, and doctors.

Of course, many of the students who complete the work in the 2-year colleges continue in higher education. The American Association of Junior Colleges estimates this number at 65 percent.

Many of these will emerge as the engineers, scientists, teachers, and doctors we need. On the other hand, if they have no place to go for the first 2 years, we may lose their talents entirely for these fields.

The goals of the community colleges are to meet these two particular needs at the lowest cost per student:

(1) to provide 2 years of college education in preparation for the final 2 years at a 4-year college;

(2) to provide a terminal program of 2 years of post-high-school general education with opportunities for vocational training for the subprofessions and occupations of a technical nature.

It might be useful to describe the kind of vocational training offered in some of the 2-year junior or community colleges. In general, the colleges offer advanced training in all the occupations taught in the high schools. They have the staff and equipment

to instruct in air conditioning, refrigeration, airplane construction, air transportation, housing construction, radio and television, and the manufacture of synthetic products. In a State like New Jersey, with its highly diversified industry, such training should be particularly helpful.

In addition, community colleges provide training for senior professional workers beyond the range of high-school education—for architectural and mechanical draftsmen, dietitians, technicians in medical and industrial laboratories, bookkeepers, automotive and electrical technicians, dental hygienists, nurses' aides, assistants in doctors' and dentists' offices.

The President's Commission on Higher Education in its 1947 report estimated that in many fields of work there are 5 jobs requiring 2 years of college preparatory for every one that requires 4 years.

Your suggestion about a scholarship program is indeed an interesting one. I recognize the need for attracting our brightest minds into the college classrooms, and I think that a general expansion of capacity will have this effect. A scholarship program by itself, it seems to me, would help the brilliant youngster enter college, but unless total capacity is expanded, he cannot help but displace a less talented youth.

Comments such as yours will be helpful in bringing this need to the attention of the country and I am hopeful that out of this will come a real drive to do something about it.

CLIFFORD P. CASE,
United States Senator.

Federal Tax Policy and the Economic Challenges of 1957

EXTENSION OF REMARKS

OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. ALBERT. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by the Honorable WILBUR D. MILLS, Democrat of Arkansas, chairman of the Subcommittee on Internal Revenue Taxation, Committee on Ways and Means, and chairman of the Tax Policy Subcommittee of the Joint Economic Committee, before the Tax Executives Institute, Inc., Shoreham Hotel, Washington, D. C., Monday, February 18, 1957:

FEDERAL TAX POLICY AND THE ECONOMIC CHALLENGES OF 1957

Just about a month ago, President Eisenhower presented to the Congress the largest budget ever submitted when Armed Forces of the United States were not actively engaged somewhere in the world. Everyone here, I am sure, is aware of the stormy reception accorded that budget. Extensive discussions in various public forums all over the country have explored virtually every facet of the budget. I will, therefore, spare you my own comments on the budget details. I would like, however, to develop with you the broad context in which this budget and its implications for tax policy should be appraised.

As you know, the Joint Economic Committee, on which I am happy to serve, recently completed its hearings on the January 1957 economic report of the President. During those hearings we had the benefit of ex-

tended discussions with the President's Council of Economic Advisers, the Secretary of the Treasury, the Chairman of the Federal Reserve Board, other governmental officials and outside experts. Our purpose was to develop the economic outlook for 1957 and the major issues of economic policy facing the Nation in seeking to attain the objectives of the Employment Act of 1946.

The testimony of these witnesses suggests that 1957 will be a year of further economic growth. In fact the budget for the fiscal year 1958 is predicated on a \$14.8 billion increase in personal income in calendar 1957, over the \$325.2 billion for 1956 as a whole, and about a \$1 billion increase in corporate profits. This growth in personal income and corporate profits, in turn, suggests an increase in the total level of economic activity of between 3 and 3½ percent over 1956. If we realize this growth, we will attain a gross national product of about \$435 billion in 1957, measured in prices about equal to those prevailing at the beginning of this year.

There are, unfortunately, some important reservations about this pleasant prospect. Certainly one major reservation is the continuing threat of inflation.

A year ago it was noted that the country was enjoying a record prosperity and that further real economic expansion would necessarily be limited by increases in our productive resources and the efficiency of their use. It was recognized that in such a situation, there is likely to be strong upward pressures on prices as producers and consumers intensified their bidding for limited supplies of goods and services. If costs and prices were not to go up throughout the economy, therefore, it was necessary to restrain the expansion of total spending to a rate consistent with the rate of increase in our productive capacity.

As you all know, the Federal Government maintained monetary and fiscal restraints throughout the year. Tax reductions which were scheduled to go into effect automatically on April 1, 1956, were deferred for another year. The Federal Reserve System, carefully watching a wide range of economic indicators, limited increases in the credit resources of commercial banks. Despite these restraints, costs and prices did rise in 1956. In fact, over half of the increase in gross national product during the year was accounted for by price increases, rather than real increases in output.

A considerable amount of evidence was accumulated last year suggesting that these restraints, particularly general credit controls, impose more severe burdens on some groups in the economy than on others. State and local governments, facing rapidly rising interest costs on their debt issues, were forced to cut back their plans for public works, particularly school construction. The housing industry appears to have been hit particularly hard by limitations on the expansion of the credit supply. And small businesses, apparently, have reason to feel that the tight money situation imposed a particularly severe curb on their ability to grow and develop.

As 1956 came to a close, therefore, the major question in economic policy was: Can we, at a time of high employment, rely on fiscal and monetary policy to curb inflationary pressures without at the same time unduly burdening major sectors of the economy and raising serious obstacles to the maintenance of economic growth? In other words, can we have a stable price level and maximum growth in employment and production when our resources are fully employed?

The President has repeatedly raised this question since the beginning of 1957. He has concluded, apparently, that we cannot rely exclusively on the Federal Government's monetary and fiscal policies if both of these objectives are to be simultaneously achieved.

Rather he has urged leaders of labor and business to assume part of this responsibility by basing their wage agreements and price policies on considerations of maintaining a stable dollar.

Many serious questions are raised by this recommendation of the President, but permit me to suggest only one. Since the President's statement on this issue, I have been deluged by inquiries—and I am sure many of my colleagues have had the same experience—from business and labor leaders as to how they are to know whether their policies and actions are consistent with maintaining a stable price level. What kind of standards are they to use in providing the cooperation the President requests? What kind of machinery does the President have in mind for aiding responsible business and labor leaders in their efforts to comply with this mandate? One suggestion in reply to these questions is that the President might appoint an Economic Stabilizer with whom labor and management representatives might consult to determine whether proposed wage agreements and price changes are consistent with overall price-level stability.

I do not, frankly, believe that the President's recommendation is a satisfactory solution to the dilemma posed by the apparent conflict between the objectives of maintaining a stable dollar and of promoting maximum growth in employment and output. I have reached this conclusion after carefully questioning and listening to the expert witnesses, both inside and outside of Government, who testified during the Joint Economic Committee's hearings.

It seems to me, instead, that we must continue to rely on public policies and actions to provide the setting in which the free expression of private incentives basic to the successful operation of our enterprise system will result in a rate of growth consistent, both in the short and long run, with stability in the price level. And it is because of this conviction that I have taken you on this excursion before coming back to the Federal budget for fiscal 1958 and its implications for Federal fiscal policy.

Comparing the President's budget for the fiscal year 1958 with that of the 2 preceding fiscal years suggest a pattern which I want to sketch for you briefly. The estimated increase in net budget receipts in fiscal 1957 over fiscal 1956 is \$2.5 billion. The estimated increase in budget expenditures in the same period is just about the same—\$2.4 billion. The estimated increase in receipts in fiscal 1958 over estimated receipts in 1957 is \$3 billion. The estimated increase in expenditures is just about the same—\$2.9 billion. These comparisons strongly suggest to me, as they have to many others, a pattern in which the increase in revenues of the Federal Government, resulting from growth in the economy, are just about exactly matched by increases in expenditures.

When Mr. Brundage, Director of the Bureau of the Budget, appeared before the Joint Economic Committee in its hearings on the President's Economic Report, I sought to determine from him whether there is any substantial basis for believing this pattern will be changed in the future. Specifically, I asked him: "Do you see any prospects in the succeeding fiscal year [that is 1959] that our budget estimates of expenditures and actual expenditures will be less than the \$71.8 billion which is projected in this budget?" Mr. Brundage replied: "I doubt it. I am going to try. We are already starting on our 1959 projections and I would hope that we would be able to hold to the present levels, but I doubt if we could cut it very much."

I will not predict that we will fail to arrest this growth in Federal expenditures in the near future. But if we approach this question realistically and observe the recent trends in the budget, I think we must have some serious reservations as to whether this

pattern of matching revenue increases with spending increases will soon be changed.

There are, I believe, three factors principally responsible for this pattern. The first is the increase in our expenditures for national security, which accounts, incidentally, for about \$2.4 billion of the \$2.9 billion increase in total spending shown in the 1958 budget. Perhaps this amount could be reduced by increases in efficiency, in real terms, but so long as the world remains in its present troubled state of affairs few, if any, of us will question the need for continuing and possibly increasing efforts in this category of governmental functions.

The second factor underlying increasing Government spending, I think, was expressed elegantly and concisely by the President in his press conference on January 24. Let me quote his words: "And I will say this: As long as the American people demand and, in my opinion, deserve the kind of services that this budget provides we have got to spend this kind of money."

The President is, of course, right. Our representative Federal Government is quickly responsive to the wishes of the people of our country, and there is no aspect of our life which the Nation more dearly prizes than this responsiveness. It is evident that the people have increased their demands on the Federal Government in the last few years. Can we predict that these demands, which result in large part from a rapid increase in population, particularly in urban communities, will soon slacken?

The third factor underlying the pattern of rising Government spending is inflation. The prices of virtually all the goods and services which the Government buys have gone up. For example, total net purchases of goods and services by the Federal Government in calendar 1956 were \$300 million more than in calendar 1955, measured in the prices prevailing in each of those years. They were actually \$1.3 billion less in 1956 than in 1955, however, when measured in the fixed prices of 1956. Continuing inflation, therefore, will result in increases in Federal budget expenditures, even if the volume of goods and services provided, in real terms, remains constant.

There are, I believe, serious and important implications for fiscal policy, and, more specifically, for tax policy in this budget pattern.

First, while we agree with the President that the growing demands of the American people for public services will in time be met, we may nevertheless inquire as to which level of Government can best satisfy these wants. Most of us, I think, recognize that at certain times the Federal Government may have to assume a greater proportion of the overall responsibility for public services than it has customarily in the past. But, looking ahead, we have to seek ways in which State and local governments may overcome their present financial limitations in order to avoid an ever-increasing recourse to Federal aid.

Responsibility for increasing the financial capacity of State and local governments to provide increasing services must rest primarily with them. But some redistribution of tax sources among the Federal Government, the States, and the localities may also be required. When the Federal Government is ready to face up to this problem squarely a primary consideration should be to prevent such shifts from adversely affecting the fairness of the combined Federal, State, and local tax structure or its responsiveness to changing economic circumstances.

Second, we must reexamine prospects for general tax reduction. The modest budget surpluses estimated for the fiscal years 1957 and 1958 impose at least a slight curb on current, widespread inflationary pressures. These surpluses are based, of course, on continuation of present tax rates. Tax reduction, so long as these pressures persist, would

contribute to general economic instability. They would aggravate the already heavy burden on general credit controls for restraining the rise in the general price level. By adding to inflationary pressures, tax reductions would also contribute to further increases in Government spending.

Experience has shown us, of course, that we must always be prepared for quite rapid changes in the economic outlook. If during the coming months it becomes apparent that inflationary forces have subsided and that a stimulus to total demand is needed to maintain full use of our growing productive capacity, we should be ready to supplement easing of general credit restraints with a balanced program of tax reduction. Under such conditions, tax reduction will increase the opportunities of the private sectors of the economy to expand their spending programs and provide impetus for further real growth without general price increases.

Third, and I believe most important, we can no longer afford to defer serious, large-scale efforts for constructive revision of our Federal tax system. If we could count on being able to make substantial, general tax reductions in the near future, which all of us would welcome, there would be much less urgency for tax reform now. Many inequities and imbalances in the distribution of tax burdens would almost automatically be alleviated by sizable, widespread tax reductions. But so long as both budgetary and economic considerations make the prospects for such reductions relatively remote, we must now get on with the work of tax reform. If the Federal tax system is to be required to continue carrying fiscal burdens of the magnitude of the past several years, we must be sure that it is the fairest and the best system we can devise.

There is, I venture to say, not a single economic activity which is not affected or conditioned by our Federal tax laws. Evidence of the enormous impact of the Federal tax system is constantly brought to the attention of the Congress and the administration by demands from taxpayer groups for tax revisions, and these demands are constantly increasing in scope and complexity. The professional journals of lawyers, accountants, and economists are replete with instances of the way in which taxes affect decision making at the personal and business level, and with arguments for and against various approaches to tax reduction on the basis of their alleged importance to the Nation's economic development. In short, without losing sight of the basic purpose of Federal taxation—raising revenues to defray the expenses of Government—there is an ever-widening awareness of the significance of the Federal tax structure in shaping the complexion of our economic growth.

This awareness led to the broad program of tax changes which culminated in the Internal Revenue Code of 1954. There was in 1953 a general realization that our changing economy required review of existing tax law to determine how well it conformed with the Nation's long-range economic requirements and with our standards of justice and fairness. No one, I am sure, will quarrel with these broad objectives.

In terms of the resources committed to the job, the code of 1954 was a monumental undertaking. In many respects, it was a successful venture which resulted in a vast number of significant improvements in our tax structure. Nevertheless, it is evident that in many other important respects, the code failed to meet the demands for simplification, greater equity, and closer conformity with the economic facts of life.

Throughout the income tax sections of the code, for example, efforts were made to afford tax relief in the hardship cases which had been brought to the attention of the Congress and the Treasury. Today we find numerous instances in which these provi-

sions have failed of this objective or have resulted in demands for equivalent relief from similarly situated taxpayers who, because of superficial differences, do not qualify for the benefits in the present law.

In the revision of the income tax, efforts were also made to eliminate tax obstacles to customary and respectable practices in the management of business and personal affairs. Today we find that having done so, we have also opened up new, unsuspected avenues of tax avoidance. The 1954 code sought to provide greater precision in the law in order to minimize taxpayer uncertainties and therefore ease compliance and administrative burdens. Today we find new uncertainties have replaced old ones and that the application of the new provisions imposes burdens of confusion and complexity which are an even match for those in the old code. Finally, the new code was intended to remove tax barriers to business growth and to encourage certain activities which, presumably, were peculiarly important to economic development. Today we find a highly unbalanced growth in which new and small businesses are lagging behind their big, established rivals. We are also hard put to justify discrimination in tax treatment among creative activities which are apparently equally valued by the economy as a whole.

Actual experience to date in those areas of the code where major efforts for technical and substantive revision were made have shown them deficient in terms of administrability, compliance, and fairness. Additional evidence is found in the difficulty which the Treasury Department, despite its wholly commendable efforts, has found in issuing regulations pursuant to these new statutory provisions. It has had to resort, as perhaps never before, to interpretation of statutes which were intended to eliminate the need for administrative discretion and ruling. In many instances, it has had to gloss over provisions, the precise application of which has so far defied the capacity of our vocabulary. And in many other instances, it has been necessary, apparently, to rely on judicial and administrative rules and interpretations under the 1939 code to satisfy the daily demands of administration.

Apart from the errors of commission, the 1954 code reflects numerous errors of omission. Many provisions of the 1939 code pertaining to some of the most pressing problem areas were carried over virtually unchanged into the new law, at least insofar as the basic substance of these provisions is concerned. An outstanding example is afforded by subchapters O and P, dealing with capital gains and losses. Since the inception of the income tax, the tax lawmaker has been plagued with problems of definition in this area. We have seen capital gains treatment extensively proliferated to the point where it now applies to a significant number of transactions in which nothing recognizable as a capital asset or as a sale or exchange is involved. The code of 1954 made no contribution toward resolution of these difficulties, but rather added to them.

On balance, I have had to conclude that much of the work of structural improvement in our tax system remains to be done.

As a result of our experience in the preparation of the code of 1954, many members of the Ways and Means Committee became more than ever aware of the tremendous burdens imposed on them in discharging their responsibility. The present chairman of the Ways and Means Committee, my friend JAMES COOPER, was, I believe, particularly impressed by the strain which the requirements of responsible legislation imposed on the committee as it was then functioning. By the middle of last summer, he was, I believe, convinced of the need for more extensive work than ever before of subcommittees which

would permit closer concentration on the principal problems lying within the committee's jurisdiction. Because of his long experience in the field of Federal taxation, he appreciated more than the rest of us the benefits which the whole committee would obtain as a result of the specialization in inquiry which use of subcommittees would make possible. His decision to set up three such subcommittees—the Subcommittee on Internal Revenue Taxation, the Subcommittee on Excise Taxes, and the Subcommittee on Customs, Tariffs, and Reciprocal Trade Agreements—will, I am confident, prove to be a milestone in our Nation's fiscal history and a monument to Chairman Cooper's vision and insight into the highly complex field of Federal taxation.

Let me describe briefly the work of the Subcommittee on Internal Revenue Taxation, which it is my great privilege to serve as chairman.

The broad purpose of the subcommittee is a close, objective review of the major provisions of the Internal Revenue Code of 1954. I say "objective" advisedly. The spirit of the subcommittee is one of searching, constructive appraisal and criticism, as devoid as possible of partisan bias. We seek to build upon the present to attain the best possible tax law and to establish a precedent in the revision of the Nation's tax system based on a nonpartisan approach.

The subcommittee's work, as now organized, has two major aspects: One involves an investigation of the substantive policy and technical adequacy of our tax statutes, and the other is concerned with the administration and enforcement of our tax laws. In connection with the first aspect, our initial approach has been a review of a number—certainly not all—of technical and clerical errors, ambiguities, and instances in which unintended benefits or hardships have been experienced by taxpayers. As you know, considerable progress has been made in this phase of our work, which has served not only to clarify issues in many cases, but to establish a strong foundation for cooperation among the subcommittee and the staffs serving it, and the Treasury Department and Internal Revenue Service. It has also served, I am confident, to establish the nonpartisan character of the subcommittee's work. It is only on this basis that real progress can be made in providing long-range forward-looking improvements in our tax laws.

A second phase of the subcommittee's endeavors is now under way. Advisory groups have been established to investigate the substantive policy and technical problems in subchapters C, J, and K, and a fourth advisory group has reported on some of the problems confronting the Internal Revenue Service in administration and enforcement of the provisions of the 1954 code. We have been fortunate in securing for these groups the services of many outstanding tax lawyers and accountants, assisted by the able staffs of the Way and Means Committee, the Joint Committee on Internal Revenue Taxation, the Treasury Department, and the Internal Revenue Service.

Without in any way minimizing the importance of the work so far done and now under way, I must point out that it represents only a beginning in the task of revising our tax system in the light of basic standards of fairness, simplicity, and economic adequacy. The requirements of all of these standards point to the same objective—a tax system characterized by simplicity, relative ease of compliance and administration, absence of discrimination, neutrality in impact among alternative uses of productive resources, a high degree of responsiveness to changes in economic conditions, and finally, lack of bias against new and small businesses. Enumeration of these standards and characteristics highlights the magnitude of the job still to be undertaken.

There are major substantive areas with which our work so far has been concerned only peripherally. One of these, as I've indicated, is the whole broad question of capital gains. Another is the tax treatment of income derived from the extractive industries. A third concerns the large and varied issues in tax exemption.

I think we must move rapidly to resolve the problems in these and other important tax areas. A major limitation on our ability to do so is lack of widespread public awareness and interest. Until we have an adequate public response upon which to predicate major substantive reform, we will necessarily have to proceed slowly.

I would like to point out to you, however, that failure to meet these issues head on and to resolve them is very costly, indeed. If the inferences I have drawn about future budget prospects are correct—namely, that increases in revenues will be matched by increases in spending—about the only major source of tax-rate reduction would be substantive revisions of our tax laws. If, through such revision, by eliminating the myriad provisions which provide exceptional treatment for selected groups of taxpayers and in the process woefully complicate the law and make its administration extremely difficult, if through such revision we can substantially broaden the tax base, we can begin to make real progress in providing an individual income tax-rate structure which might begin at 10 or 15 percent and top off at, say, 65 or 70 percent, perhaps even lower. I am sure you will all agree that this is an objective well worth our major efforts.

A Tribute to Lt. Gen. Joseph M. Swing, Commissioner of Immigration and Naturalization Service

EXTENSION OF REMARKS OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. SANTANGELO. Mr. Speaker, on February 9, 1957, in New York City at the Grand Street Boys' Club House, a testimonial dinner in honor of Lt. Gen. Joseph M. Swing, Commissioner of the Immigration and Naturalization Service, was tendered as a mark of recognition of General Swing's humane administration of the immigration and nationality laws. The following is the committee that was privileged to take part in paying tribute to this dedicated public servant: Honorary chairman, Jonah Goldstein; chairmen, Alfred E. Santangelo, Member of Congress, and Paul Fino, Member of Congress; committee, Thomas A. Aurelio, John Cannella, Louis Capozzoli, Vincent Damiani, Ralph Di-Orio, Edward Ennis, Salvatore Farenga, Vincent Impellitteri, Vincent Lupiano, Joseph Marine, Joseph P. Marro, Antonio Mendez, John J. Merli, Dr. Charles Muzicato, Dominick Paduano, Joseph Periconi, Frank Rossetti, and Robert V. Santangelo.

The tribute accorded General Swing at this dinner reads as follows:

A TRIBUTE

Lt. Gen. Joseph M. Swing, a native of New Jersey, served with distinction in both wars, rising to the rank of lieutenant general of

the United States Army. He was appointed Commissioner of Immigration and Naturalization by President Eisenhower on May 24, 1954.

General Swing's administration of the immigration and nationality laws is marked with the humane and fair understanding of the problems encountered in the relationship between our Government and human beings who seek to adopt America as their land and those who come in conflict therewith. The following are some of his noteworthy achievements:

1. Consideration given to the human factors such as family ties, dependents, and long periods of residence in the United States to the end that family units remain intact;

2. Abolition of the warrant of arrest as a means of instituting deportation proceedings and thereby removing the stigma attached to arrest and detention.

3. Abolition of indiscriminate detention of aliens at Ellis Island and similar installations upon entry into the United States and pending termination of deportation proceedings;

4. Elimination of the use of confidential information in deportation proceedings, except in those cases where the Commissioner personally determines that it is in the interest of national security and safety to do so;

5. Adoption of procedures to expedite admission of immigrants by preexamination abroad and thereby eliminate hardships and delays.

This testimonial to General Swing is in recognition of his unsparing devotion and dedication to the humane administration of those laws under which fall the immigrant who seeks haven, refuge, or home in these great United States.

I wish to include at this point the various speeches made on that occasion by me, by Congressman Fino, and by General Swing, together with a telegram from President Dwight D. Eisenhower, and a telegram from Mr. Ogden Reid:

REMARKS MADE BY CONGRESSMAN ALFRED E. SANTANGELO AT DINNER TENDERED IN HONOR OF GEN. JOSEPH M. SWING, COMMISSIONER OF IMMIGRATION

Reverend fathers, Judge Goldstein, Commissioner Swing, distinguished guests, ladies, and gentlemen, we meet to pay tribute to a man of Mars with a heart of Venus. We do not gather here to pay tribute to his distinguished military career which has spanned a period of two World Wars and has earned for him the gratitude of American citizens and the confidence of our Commander in Chief, Dwight Eisenhower. However, tonight we, as civilians, gather here to praise him for his humanity in the administration of our immigration and nationality laws. Perhaps posterity will remember not his military contributions but his civilian accomplishments.

On our statute books, Congress has placed an immigration law which is conceived in bigotry, iniquitous in content, and alien to fundamental democratic principles. It perpetuates a national-origins quota system and relegates naturalized citizens to second-class citizenship.

Despite our pronouncements in our Declaration of Independence and in the United Nations Charter that we believe that all men are created equal, that we believe in the equality of mankind, our immigration laws proclaim to the peoples of southern Europe and Asia that they are not equal, that they are not desirable. It sets up an obstacle in democracy's struggle against communism to capture men's minds and to gain their support.

It is not my purpose to castigate or criticize those who are responsible for this measure, but we are faced with the fact that our

immigration law is extremely harsh and needs revision. A Presidential commission and even our President of the United States have so declared.

Because of his military background, because of his understanding of human nature, because of his devotion to American principles, our guest of honor was selected as Commissioner of Immigration to administer this law. It is difficult to think of any appointed official in this world today in whose character and abilities the peoples of all nations have so intense and legitimate an interest. In no other nation of the world in all world's history, except perhaps in Imperial Rome, has such a post been so important. Just as Roman citizenship was once a promise of peace and security in a savage world, so today is American citizenship.

Our Commissioner of Immigration is a man who has a humane understanding of the problems encountered by the aliens who seek to adopt America as their homeland and who desire to remain here. He possesses a typically American largeness of heart and mind. We Americans who have foreign relatives and friends seeking to come to this country are happy that a man such as he fills this vital post.

I am a new Congressman. In the few short weeks I have served in the Federal Government, one fact has become crystal clear. No administrator or public official can survive without courage and a thick skin. Such qualities are necessary to withstand the verbal bombs and hand grenades.

Our guest of honor has those qualities and he is withstanding such blasts because he believes that what he is doing is morally right and is in the best American tradition.

You ladies and gentlemen have before you a program containing some of the achievements of this man. To repeat them would be to gild the lily or perfume the rose. However, I wish to point out that when General Swing closed down the detention quarters for aliens, he tore asunder the shackles which chained our Lady of Liberty; when General Swing abolished the warrant of arrest as a means of instituting deportation proceedings, he erased a stigma which should not attach to any civil proceeding; when General Swing eliminated the use of confidential information except in cases involving the internal security, he struck down a monstrous instrument of despotic government. For these deeds, I salute him.

As a young man I lived on Staten Island and from my hilltop home I saw daily the Statue of Liberty standing in the New York City Harbor—so majestic and yet so friendly. As I watched the liners steaming through the narrows, passing up the Hudson past Bedloes Island, I frequently recalled the stirring and moving words of that great poetess, Emma Lazarus, which, if trite today, still live in our hearts:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed,
to me,
I lift my lamp beside the golden door."

Despite the harshness of our immigration laws, General Swing by the manner of his humane administration paraphrases that theme today and says to the peoples of Europe:

"O Hungarians, O Poles, and those fleeing to be free
If a quota stops you, I will make you a parolee."

It is my honor to present to you the man who has once again opened the golden door to let democracy in—General Joseph M. Swing.

REMARKS OF CONGRESSMAN PAUL FINO, CHAIRMAN OF TESTIMONIAL DINNER IN HONOR OF GEN. JOSEPH M. SWING

Mr. Chairman, General Swing, distinguished guests, ladies and gentlemen, I am sure that General Swing and every clear-thinking American will agree that the McCarran-Walter immigration law must be rewritten.

Time and experience have taught us that this law is one of the most discriminatory pieces of legislation ever enacted in the Halls of Congress. It was founded on a philosophy of fear and suspicion of all immigrants, more particularly a certain group of nationals.

This law is so restrictive in its application and so insulting to our immigrant friends that it has had the effect of excluding instead of welcoming those kinds of people whose ancestors helped build and develop America.

The recent tragedies in Hungary and in the Middle East have dramatized the urgent need for not only revision but liberalization of this statute. Political and economic conditions in the world point up to the need for more flexibility in our law, not only as applied to immigrants, but to those in the emergency status of refugees.

The unfairness and injustice of this law must be corrected by the Congress. The President has repeatedly urged that we rewrite the unfair provisions of the law.

We must eliminate all of the harsh and discriminatory features of the present law so that we can have an equitable and flexible law that will extend kind and humane treatment to immigrants of all kinds.

I am certain that a vast majority of the American people agree with the sentiments expressed by President Eisenhower when he said in his message to Congress that "the practical application of this law has demonstrated certain provisions which operate inequitably and others which are outmoded in the world of today."

I know that General Swing will present the President's request for immigration-law changes forcefully. We cannot any longer ignore this pressing problem. The welfare of America and the prayerful hopes of the unhappy and oppressed are at stake. For our own well-being and for the sake of our leadership in the world we must banish bigotry. A liberal revision of the McCarran-Walter Act would be a step in the right direction.

REMARKS OF GENERAL JOSEPH M. SWING, GRAND STREET BOYS' CLUB HOUSE, NEW YORK CITY, OCCASION OF PRESENTATION OF SCROLL IN RECOGNITION OF HIS HUMANE ADMINISTRATION OF THE IMMIGRATION LAWS, FEBRUARY 9, 1957

Basking in the glow of such praise is a pleasant feeling—one that is unusual, if not unique, in my experience as Immigration Commissioner.

I want to make a few comments on the general topic of immigration—possibly another statement that proves how fortunate for me that most of our immigration law is administered by Justice Department and not by the State Department. Diplomacy is not my strongest characteristic.

The plain blunt facts are these. We can get along quite nicely, with most of the present immigration law. The proposals which the President has submitted to the Congress do not change to any major degree any provisions of that law on citizenship. No suggestions are made to substantially alter any of the numerous grounds on which an individual may be kept out of this country or on which the undesirable may be expelled after he gains entry. All our citizens of good will recognize the need for reasonable safeguards, reasonably applied.

When a 2-year-old child is arrested for deportation; when a respected citizen of a

friendly neighboring country is detained at the gateway to your city for 24 hours after suffering the harrowing experience of the *Andrea Doria-Stockholm* disaster; when a soldier husband has to wait a year to get papers to bring his bride to this country; when hard-earned equities are completely ignored; when a deaf ear is turned to appealing compassionate circumstances, then don't blame the horrible McCarran-Walter Act, blame the knuckle-headed administrator that allowed such action. I am no lawyer, but over the years I have had occasion frequently to hear the expression *nol-prossed* used among the legal fraternity members. Some common sense is used in enforcement and even though some of my legal eagles do their darndest to prove the contrary I am not convinced that common sense and good law are incompatible terms. With that approach we have tried to administer the law. I think we have had a fair measure of success. I accept credit only for encouragement to, and support of, loyal and able career officers who now realize they can use their judgment in administering the law.

Let's look at the other side of the coin. When the United States desired to give a speedy, helping hand to both the fleeing Freedom Fighters of Hungary and their overwhelmed host in neighboring (and neighboring) Austria, there was a provision of the McCarran-Walter Act which we had tailor-made to our needs—the parole provisions of that act. I want to emphasize that this provision was not an accidental, belated discovery of what some have attempted to characterize as a loophole. It is the same provision which I acknowledged to its author, Congressman WALTER, 2 years ago, was my authority and basis for closing down Ellis Island Detention Station which stood for so many years at the sea entrance to your city in mocking contradiction to the welcoming Statue of Liberty less than a mile away.

Many of the changes we have suggested be made in the law are designed primarily to streamline its administration and others are to meet changing circumstances since 1952 which the coauthor of the act has recognized in his own recently proposed House bill.

The nub of the President's proposal is twofold, to increase the number of persons who can come into this country each year, a recognition of our increased power of absorption in the last 30 years; and to change the manner of selection of those who do come. This latter provision is one that economists, sociologists, anthropologists and a host of others can discuss at length. My only contribution to the discussion is some personal observations and experience of my own. A few years ago I had the task of training some young men and later leading them in battle against an enemy of the United States. During the training I had no occasion to inquire into their ancestry; during the battle the enemy did not distinguish between northern Europeans and southern Europeans and nothing in the casualty lists or the honor lists of the 11th Airborne Division reflects that the American freedom fighter was any more or less effective because he traced his origin to forebears born along the shores of the Mediterranean or the North Sea or the Baltic. With this I leave you.

THE WHITE HOUSE,
Washington, D. C., February 9, 1957.
Hon. ALFRED E. SANTANGELO,
Member of Congress,
Grand Street Boys Club,
New York City:

Following is message relayed from the President to the White House Office for transmittal:

"Please give my greetings to the friends of Gen. Joseph M. Swing gathered in tribute to

his splendid work as Commissioner of the Immigration and Naturalization Service.

"Our Nation, established by pioneers of every race and creed, still finds a source of strength in the continuing immigration of new citizens from abroad. In helping these people to become a strong and productive part of the American community, General Swing has earned the appreciation of us all. Best wishes and a personal commendation to your guest of honor."

"DWIGHT D. EISENHOWER."

NEW YORK, N. Y., February 9, 1957.
ALFRED E. SANTANGELO,

New York:

Terrribly sorry, but a trip outside of the United States precludes my being present at the dinner in honor of General Swing. His leadership of the 11th Airborne Division materially helped win the war. His service as Commissioner of Immigration and Naturalization is doing much to help win the peace. It is not often that the United States has a man with the ability and dedication of General Swing. I wish I could be present tonight to salute him in person. Please give General Swing my very best regards.

OGDEN REID.

The Middle East and Future Foreign Policy

EXTENSION OF REMARKS OF

HON. A. S. J. CARNAHAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. CARNAHAN. Mr. Speaker, under permission to extend my remarks in the RECORD, I take great pride in submitting a speech delivered by my colleague from Maine, the Honorable FRANK M. COFFIN. This was given on February 7, 1957 before the Augusta-Hallowell Chamber of Commerce in Augusta, Maine. It summarizes some of his basic, and I consider refreshing, thinking in the field of foreign affairs. The views of this freshman member of the House Foreign Affairs Committee are most welcome and contain much merit for consideration.

THE MIDDLE EAST AND FUTURE FOREIGN POLICY

As I look back over this first month of the 85th Congress, the deepest impression I can report to you is that 1957 will be a watershed year in the history of our foreign policy. By this I mean that decisions are called for which will change the course of that policy. Neither the problems facing us nor the temper of the people themselves give us the luxury of making no choice at all.

If the choice is to be a sound one—militarily, diplomatically, economically, and morally—then both the Congress and the American people must engage in as intensive a project of fact-gathering, redefinition of goals, and reevaluation of policies as has occurred at any time in our history. We are favored in this project by several factors: There is no immediate threat of a hot war; this is not an election year; the American people are alert to the dangers of the spread of Communist influence; and we now have an experience of a decade in foreign military and economic aid.

But there are several obstacles to the kind of policy review that the times demand. They all stem from attitudes of mind which many of us share. We are convinced of our unselfishness and generosity, and are hurt when our efforts are not appreciated, or our

motives misconstrued. We have spent \$60 billion in 10 years and we yearn for an end to this drain on our resources, particularly when we see that some of this money has been wasted or spent to no apparent effect. We cannot understand why nations should hesitate a moment in choosing between Soviet communism and true democracy. We cannot understand why nations want to be spared the necessity of choosing either form of government. We are inclined to distrust any government that does not promote our kind of capitalism. And, being a Nation traditionally good at horse trading, we do not think it ever good business or sense to give aid of any kind without some guaranty in return by way of pacts, bases, or other commitments.

These attitudes are obstacles, not because they are wrong or unjustified, but because they are preconceptions. In solving any problem, preconceptions must be pushed aside, to let in the facts. Not until scientists acknowledged that there was something smaller than the atom was it possible to make progress in nuclear physics.

If we can put aside these preconceptions, let us look at these three areas of facts, goals, and politics.

The facts of international life in this year of decision, 1957, are these:

1. The United States is the most powerful nation in the world in its natural resources, its skilled research and technical personnel, its armed forces, and in the power of its traditions.

2. All resources except the last—its ideals and traditions—are limited and capable of being surpassed by another nation or group of nations.

3. The Soviet Union is fast developing its basic industries, its educational system, its military forces and weapons. Although still behind us in quality and quantity in most of its development, at its present rate Russia will substantially close all gaps within another generation, barring any internal Soviet collapse.

4. The Communist bloc of nations already claims one-half of the world's population.

5. The key to needed raw materials, base supports, staging areas, land and water lines of communication and transportation—and therefore the key to economic and military survival—for the free nations of the world lies in the underdeveloped, recently colonial, and fiercely nationalistic nations of Africa, the Middle East, South and Southeast Asia. Even within the General Assembly of the United Nations, these nations are becoming the key to the passage of resolutions.

6. The forces seething within these nations, as Justice Douglas recently said, are a rebellion against feudalism, a burning desire for independence, a striving for equality, and a distrust of the only kind of capitalism they know—colonial capitalism. To this last we must add the ever-present fact of extreme and ever increasing poverty.

7. The Russians in their post-Stalin pose, play these five themes with increasing skill. They do not preach the merits of communism as a philosophy. They join the lists against feudalism by fighting for land reform. They pose as champions of independence. They have taken great pains to treat Asians on the same level as Caucasians. They have associated themselves with the new socialist leaders in Asia. And in so doing they bid well to win the uncommitted nations.

Beyond these techniques Russia seeks credit for warring against poverty. She displays her schools, factories, new cities, farm equipment, makes loans, and sends technicians to the impressed Asian—and often without strings attached.

Here are some of the things Russia points to: Grain elevators, hydroelectric plants, and irrigation systems in Afghanistan; a steel mill in India; a technological institute in Burma; a nuclear physics laboratory in

Egypt; fertilizer mills in Yugoslavia. This, to put it mildly, is rugged competition. These accomplishments may not match ours, but that is not the point. The point is that these achievements are far ahead of anything these people have known.

These I believe to be the facts essential to a review of our foreign policy. They need to be documented; they need to be presented to the people. The understanding of these facts by the people is the first step in any major rethinking of policy.

It is also vital to restate the goals of American foreign policy, whatever may be the particular plans and policies to achieve them. I doubt that many would disagree with these objectives:

1. To keep the economy of the United States healthy. This means not only checking the force of inflation, but maintaining a reasonable rate of increase in the national product and avoiding excessive taxation. This in turn implies keeping our international obligations within our means.

2. To maintain an adequate Defense Establishment.

3. To help maintain the stability and strength of our traditional allies and neighbors.

4. To strengthen our relationships with the nations with whom we have agreements or cooperative arrangements. This means all the nations of NATO, the Southeast Asia Treaty Organizations, and the Baghdad Pact.

5. To bring about a freedom-orientation on the part of uncommitted nations of Africa, the Middle East, and South Asia.

6. To strengthen the United Nations as an increasingly effective force for peace with freedom.

To state our goals and to realize them are two quite different matters. Even to agree upon our methods will challenge our energy, our tolerance for harsh facts and new ideas, our imagination, and our determination.

Before discussing our choice of methods it is all important to place the Middle East resolution in proper perspective. It does not spare us the duty of making this reevaluation of policy we have been talking about.

I supported the resolution in the House because I was convinced there was no alternative which would not be more dangerous to us. Although there were only 61 dissenting votes, it is fair to say that no one who spoke for the resolution did so with enthusiasm or with the feeling that this solved our problems.

The resolution is merely a recognition—perhaps a belated one—that the Middle East is just as important to our security and the peace of the world as Canada, Mexico, or the Panama Canal. But it is no more than a warning signal to Russia and an attempt to give short range military and economic aid to those nations of the Middle East who are disposed to accept it.

In the broadest sense it is not policy. It is a device which will give us a little time to make policy. It is not policy because it gives us no specific positive objectives to govern our use of armed forces, our supplying of military or economic assistance. It says only that we are against international communism and are for national independence. These are not enough if we are to be effective, if peace is to be established, and if the affection and loyalty of the free nations of the world are to be secured.

In what direction does the answer lie? Without posing as an expert, claiming to be original, or attempting to give specific answers at this time, let me suggest some standards that should guide our thinking during the coming year.

1. We should recognize that year-to-year foreign aid planning is an invitation to inefficiency and waste. The administration seldom has a definite idea of what it will do with funds appropriated; the Congress becomes increasingly resentful of granting

blank checks; the administrators don't know how far to go in their planning; the recipient countries never know what they can count on; and our people are merely conscious of an endless drain.

We should thoroughly explore setting up a program for a substantial period of time so that programming and administration proceed on an orderly basis.

2. There should be standards governing expenditures. These standards should recognize that countries differ in their ability to use funds productively—because of their stage of development, the adequacy of trained personnel, and the extent to which prior programming has been done. We should learn from our prior experience in Iran, for example, where, although our prime objective of keeping Iran out of the Communist orbit has so far been achieved, the program was accompanied by tremendous looseness in administration.

3. Techniques of administering aid funds should be developed and vigorously applied. These techniques should begin with the description of the need presented to Congress, should continue with sound accounting systems, and include detailed reports of progress made.

4. Adequate trained personnel to administer such programs should be available before any program is launched.

5. Programs should be set up with the objective of terminating dependence on the United States as soon as possible. In the early stages of development, this means, paradoxically, not making the mistake of giving too little or erecting unrealistic standards for repayment. In the middle stages it may mean loans to be repaid on a flexible basis, depending on the rate of economic progress. Throughout it means insisting that local governments do all that they reasonably can with their own resources and it means using loans rather than grants whenever practicable.

6. It may prove after intensive study that our own best interest is served by not making aid dependent upon military or diplomatic strings. As we have seen in the matter of bases, such strings are easily broken. And the effort to attach them may well undo the effect we are striving for. It may well be, therefore, that our emphasis should be on sound economic development looking to a sound business basis for transactions, with less emphasis on illusory diplomatic undertakings.

7. In any economic planning, we in New England see the wisdom of taking into account the effect on our own industries of the creatures we may help create. Every effort should be made to see to it that the economy brought into being is useful to the local country without turning into a Frankenstein monster which then turns on us.

8. In any such new approach to foreign aid, we in the United States have every reason to hope that there will develop within the framework of the United Nations an agency for administering the standards we set up. We do not want to be in the position of unilaterally turning down a country's application, for no matter how sound an economic reason. Neither do we want our motives to be construed as colonial or imperial by those all too eager to do so.

Underlying these suggestions is the conviction that the effectiveness of any economic-aid program lies not in the amount of dollars but in the way such a program is administered. In many instances we have undoubtedly spent too much, too soon, for too little results.

As Dr. Judd of our Foreign Affairs Committee stated to me, there are three questions to ask in determining a program of economic aid:

1. What does the Nation need?
2. What can it use effectively?
3. What can it receive with self-respect?

Too often we have asked only the first question. We must realize that we cannot hope to radically alter standards of living overnight. All we can hope to do is to make it possible for the peoples participating in any aid program to make visible, steady progress. The sense and stability of progress are the practicable objectives of any realistic program.

Much, therefore, can be done to profit by our past experience, to eliminate waste, to strengthen our effectiveness, and to work toward the time when such programs will not be necessary. The task is arduous. But the only alternatives are a series of actions improvised to meet crises after they have occurred, or a fortress America with waters of hostility lapping our very shores. The stakes are survival in a free world.

The Coal Industry

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. SAYLOR. Mr. Speaker, during the course of the hearings by the Coal Research Committee participating members have obtained highly illuminating reports on the coal industry and on the communities and people who are a part of that industry. I am confident that the subcommittee will soon be in a position to make recommendations regarding what must be done to assure the maintenance of a vigorous coal industry. As the industry moves forward, so too will there be a welcome resurgence in those communities where coal is the substance of economic life.

My reference to the subject today is not to be construed in any manner as an attempt to make a progress report on the subcommittee's work. Our chairman, the highly capable and most conscientious gentleman from Oklahoma, will decide when it is time for the Congress as a whole to be apprised of our findings. I wish only to discuss coal communities and the opportunities which may be available to them in the years ahead. My remarks are prompted by a report on natural resources made several months ago and presented in the Iowa Business Digest. I do not know whether this report reached very many of our coal communities; I do know that any resident willing to accept this analysis would no doubt be frantically looking for greener pastures if in fact he has not already taken leave of the old hometown.

I shall not include the Iowa report in the RECORD because I do not believe that its contents would justify printing expenses. I think that it can be summarized with a comment that it reflects only the most pessimistic view of the coal industry; for this reason I feel duty-bound to analyze some of the more hopeful signs that are beginning to appear over coal-producing regions. As Representative of a district which depends to a large extent upon the success of the coal industry, I want the rest of the country to realize that we are doing

everything possible to develop a more substantial and dynamic economy in our coal areas.

Increased demands upon coal as America's principal source of energy in the years ahead are a certainty. The difficulty in keeping on the course of progress and expansion is attributable to Government policies standing in the way. I am confident that the coal industry would by now be producing from 10 to 20 percent more coal if it were not for the iniquitous and inequitable Federal policies that have persisted entirely too long. Foreign residual oil should not be permitted to be shipped into this country in excessive amounts to the detriment of the coal industry. The Federal Power Commission should be instructed to take conservation into consideration when it rules on applications for new natural gas pipelines; so authorized, the Commission would be in a position to prevent such wasteful practices as dumping of natural gas into industrial plants at the expense of the coal industry. I am also convinced that the coal industry should be granted a higher depletion allowance rate. These and other considerations are matters which should be adjusted by Congress as quickly as possible. Meanwhile coal and allied industries, with the support of the citizenry of mining areas, are doing everything possible to raise themselves from the economic straits.

I recently placed in the CONGRESSIONAL RECORD an article from the Pittsburgh Press describing the accomplishments of townsfolk in Indiana, Pa., a community which over the years had relied to a great extent upon the success of the coal industry. When coal output went down, unemployment went up throughout the area. Indiana, through courage and faith and daring, was able to obtain new industries that have absorbed considerable of the surplus labor and today is looking to the future with hope and optimism.

The anthracite fields of Pennsylvania have been perhaps hardest hit of all industrial areas in recent years. In the 10-year period that has elapsed since the conclusion of World War II, anthracite production has been halved. Residents of producing districts have of course been greatly discouraged, yet they have been so resourceful as to bring a variety of new industries into their communities. There is still a long way to go in the anthracite field, and I hope that the program to be recommended by the Coal Research Subcommittee will aid in combating the economic strife in that region. Meanwhile the businessmen, local government officials, and labor responsible for progress that has thus far been made are to be congratulated for their ingenuity and determination.

The Iowa Business Digest report was correct in pointing out that there has been a decided drop in coal employment over the past 30 years or so. The United Mine Workers of America recognized, as did coal operators, that mechanization of mining equipment and methods would produce capability of mining more coal with fewer men. The union nevertheless refused to stand in the way of progress. Mechanization has reduced coal's labor force by at least one-third, but at

the same time it has made it possible for the industry to share with the working force more and more of the income from the sale of the product. To provide work for those men displaced by automation, management and labor have cooperated admirably in the campaign for new industry.

One of the most encouraging developments in the past year or so is the establishment of aluminum reduction plants in bituminous regions along the Ohio River, a phase of which was recognized in the Iowa report. One of the plants, when completed, will employ 4,000 workers; the other will employ 1,200. An executive of the Kaiser Aluminum & Chemical Corp., whose producing facilities are being constructed at Ravenswood, W. Va., last month made this statement in connection with the project:

There is a special significance in Kaiser's Aluminum Ravenswood's works. It will be the first operation in the United States aluminum industry based on the fact that coal is the most economical source of energy for the production of aluminum when located close to major markets and a direct transportation route for raw material.

Recognition of this fact led Kaiser to the Ohio River Valley site at Ravenswood—where low-cost coal-based power is readily available, where 70 percent of the Nation's aluminum consumption is within a 500-mile radius, and where the company is able to move materials from mine to fabricating plant in a direct line over a short all-water route.

According to a recent issue of Newsweek magazine, the advent of the aluminum industry in Ravenswood has reversed a 50-year decline, added 350 new homes, three restaurants, and a 56-unit apartment development. Farther down the river, at Evansville, Ind., the Aluminum Company of America is constructing another big smelter which will use coal-generated power. Irving White Wilson, president of Alcoa, which incidentally employs many individuals from my Congressional District said recently:

As far as we can see, which is 1960, we see aluminum's growth continuing without any major let-up.

With so bright a future for the aluminum industry, coal stands to achieve almost proportional advances. I recall this excerpt from the President's Material Policy Commission Report published in June 1952:

Such electroprocess industry as aluminum have the opportunity, by turning to coal and lignite, to break loose from their long dependence on closeness to cheap hydroelectric power sources for low cost energy.

Other industries are also beginning to recognize the advantages of locating plants near the most inexpensive sources of power and heat. Expansion of capacity in electric generating stations, steel mills, cement plants, and other traditional coal uses bids further to bringing advantages to coal communities.

For these reasons it is in error for anyone to write off coal communities as thriving centers of American economic and cultural life. The residents of these towns have demonstrated their resourcefulness and self-sufficiency. Despite the unfair burdens inflicted upon them through unwise policies of the Govern-

ment, they have withstood attendant hardship and are now planning to participate in the industrial surge that is taking place nationally. To lighten the load for this hard pull, Congress should enact immediately the legislation necessary for clearing the road to coal's progress.

In conclusion, I want to thank my colleagues who participated in the hearings of the Coal Research Committee at Ebensburg, Pa., on February 13. I assure you that your presence was in itself an inspiration to our people, for it indicated the concern of Congress in our problems and gave interested parties an opportunity to appear personally before a congressional committee.

Lithuanian Independence Anniversary

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. DONOHUE. Mr. Speaker, last Saturday, February 16, 1957, the Worcester, Mass., Lithuanian organizations commemorated Lithuanian Independence Day with appropriate programs held at several meeting places throughout the city.

As part of the exercises, it was my privilege to speak to the assemblages over radio station WNEB, in association with a local prominent Lithuanian-American attorney, Anthony J. Miller, Esq. I have been requested to include the addresses delivered by Mr. Miller and myself on this occasion, and they follow:

LITHUANIAN INDEPENDENCE DAY ADDRESS DELIVERED BY UNITED STATES REPRESENTATIVE HAROLD D. DONOHUE, OF MASSACHUSETTS

More as a friend and neighbor of my fellow American-Lithuanians, than as your United States Representative in the Congress, I consider it a particular privilege to take part in this program commemorating the 39th anniversary of the declaration of Lithuania's independence.

This annual ceremony is dear to the hearts of all Lithuanians and their American friends, because it is held to recollect the date of February 16, 1918, which marked the end of well over a century of suffering under a hostile, foreign rule. Back on that joyful day, Lithuania stood forth as an independent democratic republic. There was cause for the celebration then, and the future was faced with confidence. Your homeland people were happy and prosperous in their own sovereignty.

Unfortunately, in this year of 1957, our observance here must be shaded with sorrow. The bright star of Lithuania's freedom has been clouded over by the violent storms of tyranny. We gaze with sadness upon the continuing tragedy of sacrifice to ruthless imperialism that has enveloped Lithuania; she has ceased to be an independent nation.

The brutal tyranny now being forced upon Lithuania, and the other small nations, is a continuing challenge to the moral conscience of this Nation and the United Nations to reestablish the great, basic principles of freedom and liberty for all peoples. In simple justice, our Government must perseveringly insist that the Lithuanian people be permit-

ted their inalienable right to govern their internal existence as they themselves see fit.

Until Lithuania, and the other enslaved nations are free, we cannot truthfully say that the Christian objective of liberty for which two great world wars, and indeed the Korean war, were fought, has been accomplished. The major world powers, including the United States, remain acquiescent parties to the disgraceful betrayal of the smaller nations while they continue to allow peaceful, freedom-loving peoples to be cruelly dominated by the Soviet rule of imperialistic terrorism—which defies every decent concept of self-determination and democracy.

On this occasion dedicated to the memory and future objective of Lithuanian independence, I again say that the United States and the United Nations must increasingly call upon Russia to give up her occupation and control over Lithuania and the other Baltic nations.

The Soviet Union has repeatedly violated the political pledges made at Tehran, Yalta, and Potsdam. Unless restitution is made, the United States should not be held bound by such unratified agreements. We must continue to use our moral leadership in the United Nations to demand that the suppressed rights of Lithuania and other subjugated nations to govern themselves be restored.

Although we mourn over her present plight, there is no cause for despair. Repeatedly, through her history, Lithuania has proved that her people can eventually overcome the temporary triumphs of oppressors. The Christian faith, which in 1399, defeated the Tartar invasion and saved all Europe from barbarism, is still with her today. It gives her the spiritual vigor to outlive any dictatorship. From my own knowledge and experience with my fellow Americans of Lithuanian descent, I know that deep in the heart of every Lithuanian is that passion for liberty and freedom which never dies. There is no power that can forever enslave a people who are determined to be free.

As the keynote of this ceremony, may I suggest that we rededicate ourselves in the determination to perseveringly reveal and present to the Christian world the facts and the truth about the persecution of Lithuania, so that the United Nations and the United States will be inspired to accept the full moral and humanitarian responsibility of restoring Lithuanian independence.

In this rededication, I am sure you will have the complete support of all Christian, freedom-loving people throughout the world. I am confident you can rely upon them to join in your efforts and prayers that your homeland may once again be free. May God grant that such a joyous day will soon be realized.

LITHUANIAN INDEPENDENCE DAY ADDRESS BY ANTHONY J. MILLER, Esq.

As an American citizen of Lithuanian descent, I am very proud to participate in this ceremony marking the origin of the independence of the Republic of Lithuania 39 years ago.

Our courageous homeland, of a little more than 21,000 square miles in area and a population of 3 million before the Second World War, has a history of oppression dating back to the 13th century when Gediminas successfully consolidated the Lithuanian state.

However, invasions from unfriendly neighbors continued and internal discord plagued the country until the period when Vytautas the Great became the ruler of Lithuania. The country, under his government, grew and expanded in Western culture and Christianity.

It was during the 16th century that Lithuania began to feel the force of Russia for the first time, and, during the 18th century, history shows the decline of the country

through devastating wars in which she lost much of her territory. The following 120 years were spent under Russian domination during which time 5 revolutions were attempted unsuccessfully. During the First World War, Lithuania was finally able to overthrow the binding ties of first, Germany, and finally, Russia late in 1919. After hundreds of years of perseverance, Lithuania was free.

As soon as independence was achieved the Lithuanians lived a happy and prosperous life. They made continuing progress and added many contributions to the culture of Western Europe. Lithuania became a respected member of the League of Nations in 1921.

However, after 2 decades of a happy experience under a freely elected government of their choice, they were again engulfed by the tyrants of Soviet Russia. They were incorporated into the Soviet Union against their will, without even the opportunity to express themselves in the matter.

The Soviet Union applied the typical Communist methods in an effort to enslave and destroy the will of the sturdy people of Lithuania and has sought to force them to give allegiance to Moscow. Despite the loss of their liberties and the brutal treatment they have endured, the Lithuanians refuse to recognize Communist Russia as their overlord. They continue to offer resistance to the Soviet Union. Their determination not to yield to the aggressor exemplifies the strong character of these extraordinary people.

The Lithuanians have, since 1940, offered active resistance to Soviet rule of their homeland. Well aware of the consequences of acting against the Soviet rule, they continue in their drive for freedom.

Despite a 16-year program of Russification, we read press reports in 1957 which indicate that the spirit of our heroic people has not broken. They stand ready, fortified by their belief in Christian ideals, to shed their blood to achieve independence and break away from the Communist yoke. They have faith and hope and they will not despair before they see the dawn of victory.

The history of Lithuania has been mixed with both glory and tragedy. In their early history, the Lithuanians were called upon to defend Europe when the Tartars came from the East and threatened Western civilization. They suffered persecutions beyond human endurance during their 120-year subjugation under Russia and they are undergoing terrible persecutions and privations today.

Nevertheless, the desire of our gallant people to obtain their liberties and freedom is so strong that they will never succumb to atheistic slavery of communism.

As we commemorate this 39th anniversary of Lithuanian independence and hold out our hands of friendship and hope to the heroic Lithuanian people in the homeland, we all express the fervent hope and prayer that Lithuania will soon again be free and independent.

Let us then pledge ourselves tonight to persevere in our efforts to promote the liberation of Lithuania, and may God speed that happy day.

Get the Government Out of Business

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1957

Mr. BERRY. Mr. Speaker, generally when people think of getting the Government out of competition with private

industry, they think of the large plants operated by the Government during the war years and since the war. We have heard a great deal of bragging both from the Congress and the executive branch on how many businesses and how many enterprises out of which we have taken the Government.

There is no one, however, who brags about the fact that a serious effort has been made to get the Government out of competition with one of the most important of all industries, the printing industry. Everyone complains because the Post Office Department shows a tremendous deficit and yet one of the things that contributes so much to that deficit is the Post Office Department selling printed envelopes and carrying on a printing business in competition with the printing industries of America at a price that is far below the actual cost of operating that business.

As in previous years, I am today introducing a bill to remove the Post Office Department from competition with private industry with respect to the printing of names and addresses and advertising on envelopes sold by the Postal Department. It will prohibit the furnishing or sale by the Department to the public of envelopes having any printing thereon other than the simple words "return to" and the three blank lines, which can be kept in stock in each post office and sold for the convenience of those desiring to purchase such envelopes, as well as serving a purpose to the Postal Department in reminding the sender to place a return address on such envelope.

There probably was a time in the early history of this country when communities were new, when services had not caught up with the western movement and when printing facilities were not what they are today, when it may have been necessary for the Post Office Department to go into the job-printing business. That time has long since passed, that time ceased to exist with the invention of modern job-printing equipment, and with the installations of modern printing equipment in almost every job-printing shop across the land. Today the Federal Government is maintaining this outmoded monstrosity at a terrific subsidy to those who are using the service and in unfair competition to the job-printing shops across the Nation who are attempting to pay their taxes, maintain a business, and, in short, build a nation based upon individual initiative and private industry.

Under the guise of public service, the Postal Department accepts and fills orders for stamped or plain envelopes with the names and addresses of individuals, businessmen, or firms printed thereon. The actual printing is done by a single contractor. Although competitive bids are invited in the letting of this contract, the last time there was a competitive bid was in 1928 when the present contractor, the International Envelope Co., received its present contract.

This printing contract which eliminates all competitors could be overlooked, were this the only abuse in this program. More serious, however, is the fact that the Department for years has

been furnishing and selling the printed envelopes at a considerable loss. In one recent year when the Department handled 538,000 orders for sale of 1 billion envelopes, 26 clerks at an aggregate salary of \$101,000 were required just to process the orders. This does not take into account the fact that every postmaster in every small post office across the land is required to take time out from his postal duties to take orders, complete the forms, mail them into the Regional Office, and then when the shipment of printed envelopes finally arrives back in his office, he is required to notify the firm receiving the envelopes, take time that should be used in processing the mails to make delivery, make reports, collect and transmit the funds, and what not. It is not only a waste of valuable time, it is a waste of valuable effort, and another yard in the redtape of the Postal Department.

YARDSTICK

Another serious result of Government competition in printing is the fact that at present rates, the Government is printing 500 envelopes and charging \$1 for such printing. The standard price for printing those envelopes in a commercial shop would be about \$4 or \$5, depending upon the locality in which the shop is located. There is no private shop that can pay overhead, taxes, and employment charges and compete with \$1 printing. The result is that the Postal Department is thus establishing a yardstick on the price of printed envelopes, a yardstick that cannot be met by private enterprise. Discontinuance of this program is the only remedy which will permit the small job-printing businessman to come in and compete fairly for his business.

Obviously the Post Office Department with its tremendous volume of business, its thousands of outlets and vast assets can command far lower prices in obtaining printed material than any small printer could offer. Because of this, the Department will always be in a position to have envelopes printed and sell them to the public at prices which the small printer cannot meet.

Through this program the Government has established a price yardstick, a yardstick by which prices of private industry to consumers are measured and compared with the prices of Government to the consumer. The public feels that because the Government can do the job so much more cheaply, that the local printer is gouging the consumer, since his prices are so much higher than Government prices.

FREE PRINTING

The plant of the International Envelope Co. is located at Toledo, Ohio. Here the printing is done on envelopes at the rate of \$1 per 500. Printed envelopes are delivered to a customer in Los Angeles or Spokane, Wash., at exactly the same price they are delivered to a customer in Toledo. A customer living in South Dakota ordering blank No. 8 envelopes from a paper house in Toledo would pay the Postal Department 82 cents parcel post charges in delivering those blank envelopes. If the same customer orders the envelopes printed by

the Postal Department they are shipped to him free from Toledo, Ohio, which means that the customer is actually paying 18 cents for the printing.

A customer in Los Angeles would pay \$1 parcel post charges to have 500 blank envelopes shipped to him from Toledo, whereas if they are printed by the Postal Department they are shipped to him free. The Postal Department has either lost a dollar or has had the printing done free, since the additional charge for such printing was \$1.

SENATE

THURSDAY, FEBRUARY 21, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou who hearest prayer, the utmost soul of us cries out for the living God. Teach us how costly are the fruits of prayer that keep open the channels between Thy life and ours. We confess that so often we have asked for that which we already have—neglected and unappropriated. Often we have beseeched Thee to give us that which we must win for ourselves, perhaps with sweat and tears. Give us to see that the first step in the stairway that slopes through doubt and darkness up to Thee is the hushing of the clamor which so often drowns out the music of Thy peace. Grant us to know that not in the rush and roar of things, but in quietness and confidence, shall we be strengthened for the work committed to our hands in this day of destiny when we believe that in Thy providence our America has come to the kingdom for such a time as this. We ask it in the name of that Holy One who is the Way and the Truth and the Life. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Wednesday, February 20, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1056. An act to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters;

H. R. 4897. An act making appropriations for the Treasury and Post Office Departments

SUMMARY

This is what Government does when it competes with private industry. You probably ask why has this monstrosity been permitted all of these years? The answer is that the Post Office Department's customers are businessmen scattered throughout the United States who like the present system, not because it is in anywise a good business venture, not because it is fair in any respect to private industry, not because it reduces Government or Government expenditures, but

simply because it is convenient and cheaper for them.

Here—at a time when the Government is boasting of getting out of business, here at a time when the Postal Department is operating at a tremendous deficit, here at a time when there is an outcry for increased postal rates to reduce postal deficits, here, then, is the time and place to cut out a useless function costing the taxpayer millions of dollars a year, causing the Postal Department millions of yards of additional redtape; here is the place to use the ax.

and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes; and

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

The message informed the Senate that the Speaker had appointed Mr. TEAGUE of Texas, Mr. LANKFORD, of Maryland, and Mr. KEARNS, of Pennsylvania, as members, on the part of the House, of the National Memorial Stadium Commission.

The message also informed the Senate that the Speaker had appointed Mr. Harris, of Arkansas, Mr. Morrison, of Louisiana, Mr. Thompson, of New Jersey, Mr. Kearns, of Pennsylvania, Mr. Broyhill, of Virginia, Mr. Barnee Breeskin, of Washington, D. C., and Mr. Robert Dowling, of New York City, N. Y., as members, on the part of the House, of the District of Columbia Auditorium Commission.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 1056. An act to permit members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with dependents, to occupy inadequate quarters on a rental basis without loss of basic allowance for quarters; to the Committee on Armed Services.

H. R. 4897. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions; placed on the calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Internal Security Subcommittee, of the Judiciary Committee, be permitted to sit during the session of the Senate today. I also ask unanimous consent that the select Committee on Improper Activities

in the Labor-Management Field be permitted to sit in executive session during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, after consulting the leaders on both sides and obtaining their consent, I now ask unanimous consent of the Senate that the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary may sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I request that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

STUDY OF ATTENDANCE AND TRANSACTION OF BUSINESS IN THE SENATE

Mr. JOHNSON of Texas. Mr. President, I announce that I am having a review made of the attendance in the Senate and the transaction of business in this body, in the hope that we can be as efficient and as expeditious as possible. Although we have found it necessary this week to request unanimous consent that certain Senate committees be permitted to sit during the sessions of the Senate, and although we realize the necessity for doing so, and the minority leader has been very liberal, generous, and considerate of our requests in that respect, it may be that after our study is completed and after I have an opportunity to discuss it with the leadership on the other side of the aisle, we shall wish to have sessions for 3 or 4 days a week, and not give permission, except in unusual cases, for committees to meet during that period; and then to have 2 or 3 days a week in which the committees can meet all day. I do not know how the study will result, but I wish to make this announcement, for the information of the Senate.

Many visitors to the Senate find it difficult to understand why at certain times only a few Senators are to be seen on